Outcome of the first user consultation on the TARGET2 release 13.0

In December 2017, National Central Banks invited the National Stakeholder Groups (NSGs) to raise change requests in the context of the PAPSS release 13.0 that is scheduled for implementation on 18 November 2019. However, none of the proposals matched the requirements set by the Eurosystem when calling for changes. For that reason no proposal is going to be circulated to participants for the second consultation phase.

In parallel to this consultation the Eurosystem organized a dedicated workshop with the Ancillary systems either using or planning to make use of ASI6 Real-Time. Based on a functional comparison of ASI6 Real-Time with the TARGET2/TIPS interface, the ACHs came with three change requests[1] to better align the two services. The change requests are exclusively related to the service that is offered by TARGET2 to ACHs and are in no way impacting the settlement banks using ASI6 Real time.

Consequently, it is currently envisaged that the PAPSS release 13.0 may contain only (i) the ASI6 Real Time changes raised in the workshop and (ii) potential changes needed for adapting to the SWIFT (e.g. adaptations to SWIFT Standard Release 2019 and migration from SWIFT Browse to SWIFT WebAccess).

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[1] The individual change requests are provided in separate annexes.

Annex 1: *Balance query of an ASI6 Real-Time technical account*

Header of the change	
Title of the change	*Balance query of an ASI6 Real-Time technical account*
Users understanding for the priority	*Medium*
Affected modules	*PM, ICM*
Description of the change	
Current behaviour of the system	*Currently, ASs using ASI procedure 6 Real-Time (ASI6 RT) cannot query the balance of their ASI6 RT technical account via A2A. The consultation of the balance of the technical account is only possible via U2A*
Requested changes - functional description	*It is proposed to enable ASs using ASI6 RT to use camt.003 GetAccount_PM message to query balances on ASI6 RT technical account in A2A. It should be irrelevant if the technical account is held by the CB or by the AS itself.* *Upon receipt of the camt.003 message, TARGET2 should return the balance to the ASs via camt.004 message (ReturnAccount_PM).* *For avoidance of doubt, this new feature would only apply to ASI6 RT and not to the other ASI settlement models.*
Business case and expected result with the change implementation	*Today, the only possibility for ASs to query their ASI6 RT technical account is U2A ICM screen. This prevents ASs to automate their liquidity monitoring/intraday reconciliation procedures and, in turn, limit their ability to detect anomalies.* *As the ASI6 RT technical account is not squared at the end of the day, the ability to query the balance in A2A is essential for reconciliation purposes.*

Annex 2: *Display of the resulting balance in ASTransferNotice used for ASI procedure 6 Real-Time*

Header of the change	
Title of the change	*Display of the resulting balance in ASTransferNotice used for ASI procedure 6 Real-Time*
Users understanding for the priority	*Medium*
Affected modules	*PM*
Description of the change	

Current behaviour of the system	*Currently, Ancillary Systems (ASs) using ASI procedure 6 Real-Time (ASI6 RT) receive a pain.998 ASTransferNotice notification message after the successful settlement of:*
	
	   - *Standing orders set by connected settlement banks*
	   - *Current orders (SBTransferInitiation, MT 202, U2A via ICM) instructed by connected settlement banks*
	   - *Cross-AS settlement instructed by connected ASs.*
	
	In all above-listed cases, the ASTransferNotice message contains the information on the amount of the liquidity that was credited on their ASI6 RT technical account. However, the 'resulting balance' field, indicating the final balance of the ASI RT technical account after the settlement, is only populated in case of a cross-AS settlement.

Requested changes - functional description	*It is requested that the 'resulting balance' field in the pain.998 ASTransferNotice message is sent to the AS using ASI6 RT technical account in all circumstances i.e. not only in the event of a cross-AS settlement but also for standing orders and current orders (SBTransferInitiation, MT 202, U2A via ICM) initiated by an AS settlement bank to ASI6 RT technical account.* *For avoidance of doubt, this new feature would only apply to ASI6-Real time and not to the other ASI settlement models.*
Business case and expected result with the change implementation	*Resulting balance allows ASs to monitor their liquidity more effectively and can be used for reconciliation purposes. As a consequence, it limits holding of funds on ASI6 RT technical account which cannot be allocated to a participant and enables an early detection of anomalies.*

Annex 3: *End of day notification sent to ASI6 RT*

Header of the change	
Title of the change	*End of day notification sent to ASI6 RT*
Users understanding for the priority	*Medium*
Affected modules	*PM*
Description of the change	
Current behaviour of the system	*Currently, ASs using the ASI procedure 6 Real-Time (ASI6 RT) do not receive any information from TARGET2 indicating that the balance of the ASI6 Real-Time technical account has been fixed as part of the End of day procedure.*
Requested changes - functional description	*The proposal is to send an A2A notification message to all AS using ASI6 RT at the moment when balances on ASI6 Real-Time technical accounts are fixed i.e. at the start of the TARGET2 end of day procedure. These notification messages should only be sent once it is confirmed that all liquidity transfers from TARGET2 participants to ASI6 RT technical accounts and vice versa have been either settled or rejected i.e. after the successful completion of last TARGET2 algorithms 2 and 3, i.e. similar to the sending of the to second camt.019 message to TIPS during end of day procedures.* *The message used should be the same as the one indicating start of night time settlement (sent every business day to ASI6 RT holders at 19.30), i.e. camt.021 ReturnGeneralBusinessInformation_ASI (RGBI) notification message.* *New RGBI message should be sent in the lowest supported version in TARGET2 and should be forwarded to all ASs using ASI6 RT (no individual subscription possible).* *For avoidance of doubt, this new feature would only apply to ASI6-Real time and not to the other ASI settlement models.*
Business case and expected result with the change implementation	*End of day A2A notification message would increase straight through processing on the side of the ASs and reduce risks in case of delayed closing of TARGET2. It is also easing the calculation of interests on the side of the AS.* *Lastly it would further align TARGET2 services offered to ASI6-RT with those provided to TIPS.*