

T2-T2S Consolidation

Release Notes

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T2-T2S Consolidation Go-Live on 20/03/2023

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List of abbreviations:

A2A	Application to Application, communication between the applications of T2 Services and the software application(s) of the connected actors
AS	Ancillary System
C7	Eurex Clearing System
C7-PS	C7 (Cash) Payment System
CEST	Central European Summer Time
CET	Central European Time
CLM	Central Liquidity Management
CM	Clearing Member
DCA	Dedicated Cash Account
ECB	European Central Bank
EDP	Electronic Data Processing
ESMIG	Eurosystem Single Market Infrastructure Gateway
EUR	Euro
GUI	Graphical User Interface
NCB	National Central Bank
RTGS	Real Time Gross Settlement
SIMU	Simulation Environment
SWIFT	Society for Worldwide Interbank Financial Telecommunication
T2	TARGET2
T2-CLM	TARGET2-Central Liquidity Management
T2S	TARGET2-Securities
T7	Eurex Trading System
TIPS	Target Instant Payment Settlement
U2A	User-to-application: communication performed via the T2 GUI

1 Introduction

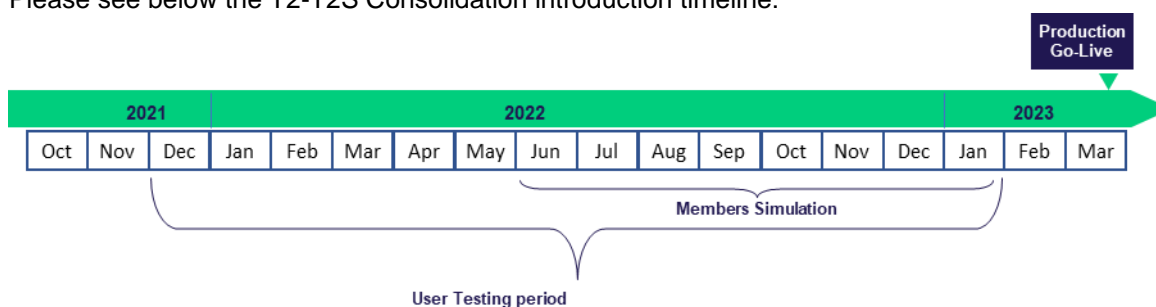
This document provides an overview of impacts of the T2-T2S Consolidation relevant for T2 participants and Eurex Clearing members. The functionality will be launched with the T2-T2S Consolidation go-live on 20 March 2023.

The T2-T2S Consolidation project is a European infrastructure project driven by the European Central Bank (ECB). The ECB's T2-T2S Consolidation project aims for:

- Technical consolidation of the Eurosystem market infrastructures, with a key objective to be compliant with the latest cyber resilience directives, thus ensuring protection against cyberattacks.
- A consolidated and harmonized connectivity solution, creating a single gateway for Eurosystem market infrastructures (ESMIG – Eurosystem Single Market Infrastructure Gateway).
- Functional convergence of the current Eurosystem's settlement services (T2S, TARGET2 and TIPS) into a single platform, which will allow the sharing of common components (reference data, data warehousing, archiving, etc.). However, T2, T2S, and TIPS will remain separate services.
- Implement a new RTGS module to provide new potential features as well as opportunities to adapt, streamline, and improve the existing services.
- Expand the existing RTGS operating hours.
- Introduction of ISO 20022-compliant messages for A2A communication with all Target services. A “big bang” approach will be used for go-live (i.e. after launch, the ISO 15022 message standard will no longer be supported by the new T2 services).
- Implementation of a Central Liquidity Management (CLM) module. The primary aim of CLM is to offer a centralized mechanism for the steering, monitoring and management of liquidity capacity. Central bank operations are managed in CLM, while the credit institution's other transactions with its central bank are managed in RTGS. The introduction of CLM also allows the segregation of the interaction with central banks from the real-time interbank/customer payments as well as the ancillary system (AS) transactions in RTGS.

In line with ECB's and Bundesbank's T2-T2S Consolidation timeline, Eurex Clearing is planning to perform member simulation in the User Testing period and to launch T2-T2S Consolidation-related changes on **20 March 2023 (first business day)**.

Please see below the T2-T2S Consolidation introduction timeline:



For more information regarding the T2-T2S Consolidation project, please visit the ECB T2-T2S Consolidation homepage: [T2-T2S consolidation](#)

or the Bundesbank T2-T2S Consolidation homepage: [TARGET2/T2S consolidation](#)

Important

T2-T2S Consolidation impacts all TARGET2 (T2) participants. Changes introduced by the T2-T2S Consolidation project are relevant for all Eurex Clearing, Eurex Repo, and Eurex Frankfurt members which are direct or indirect T2 participants. Indirect participants can submit/receive cash transfers indirectly to/from RTGS via a direct participant (via RTGS account owned by another credit institution – direct T2 participant).

2 Readiness Statement

According to §10 (3) (ii) of the General Terms and Conditions to the Agreement on Technical Connection to the Clearing Electronic Data Processing (EDP) of Eurex Clearing AG, Clearing Members are obliged to provide Eurex Clearing prior to the first use of the updated service of Eurex Clearing's C7 and T2 related systems with a written statement confirming that (a) the updated services of Eurex Clearing successfully passed internal test procedures, and (b) the participant system and the participant software interact with the updated service of Eurex Clearing without any errors or interruptions ("readiness statement"). The readiness statement will be provided at a later stage to the members.

Participation in member testing in the T2-T2S Consolidation project is mandatory for all Eurex Clearing Members, who use T2 accounts with Eurex Clearing. The execution of a minimum number of test cases will be proposed, but testing is not limited to these cases.

T2-T2S Consolidation user testing and consequently also Members' simulation is driven by the ECB timeline and milestones. According to the updated ECB milestone (CSLD.UTA2), the end of the user testing phase is now prolonged until 27 January 2023. The T2 UTEST environment and ECAG Simulation environment will be also available after user testing completion. We kindly ask all Eurex Clearing Members, who use T2 accounts with Eurex Clearing, to submit their readiness statements by 10 February 2023 at the latest.

3 T2-T2S Consolidation Changes relevant for Clearing Members of Eurex Clearing

Following the T2-T2S Consolidation, Eurex Clearing aims to limit the impact on its Euro (EUR) Central Bank Money payment infrastructure and related processes affecting Clearing Members to the greatest possible extent. However, some functional changes will be applied by Eurex Clearing with the T2-T2S Consolidation.

3.1 T2 accounts and payments processing

Eurex Clearing will adapt its T2 account structure according to the ECB's T2-T2S Consolidation project requirements and Bundesbank's guidelines.

The ECB's T2-T2S Consolidation project triggers the change of payment and cash settlement message flows and message formats. All cash payment message communication with T2 will be in the ISO20022 format (MX messages).

3.2 Continued usage of ancillary system (AS) settlement procedures and AS transfer initiation pain.998

Eurex Clearing will continue to make use of the AS settlement procedures offered by the Eurosystem. Based on current planning, Eurex Clearing intends to settle AS transactions in RTGS using the AS settlement procedure E.

In line with the ECB's T2-T2S Consolidation-related nomenclature rules, Eurex Clearing will use the AS technical account, TDEEUREUXCDEFFASI, in the AS settlement process. For this, Eurex Clearing will continue to use the pain.998 MX message type according to SWIFT MyStandards RTGS portal definitions.

3.3 Inclusion into Eurex Clearing's Settlement Bank Account Group to ensure appropriate debit mandates for AS settlement

The name of Eurex Clearing's Settlement Bank Account Group is DESEUXCDEFFASI-EUREX-CLEARING-AG. All Clearing Members of Eurex Clearing making use of T2 cash payments in EUR must request their NCB for the inclusion into Eurex Clearing's Settlement Bank Account Group in order to ensure smooth cash processing vis-à-vis Eurex Clearing.

This inclusion is required for every RTGS DCA of the Clearing Member set up in the Eurex Clearing system. With the inclusion into Eurex Clearing's Settlement Bank Account Group, Eurex Clearing will be technically enabled to debit the specified RTGS DCAs.

3.4 Collection of data from Clearing Members

Eurex Clearing maintains the information about its Clearing Members' T2 accounts as reference data used for automated payments processing. The T2-T2S Consolidation project brings mandatory changes in the account number nomenclature driven by the ECB. Therefore, Eurex Clearing must collect information about the new T2 account numbers from all Clearing Members which use T2 accounts with Eurex Clearing. Clearing Members are required to provide account information in time as part of the readiness activities. Production-like information will be used first in the simulation environment. Upon successful testing, similar information will be used in the production environment.

3.5 Preponement of overnight debit cash instructions in EUR via T2

Overnight debit cash instructions in EUR via T2 will be preponed from currently 7 a.m. CET/CEST to 2 a.m. CET/CEST. However, the deadline for fulfilment of the payment obligation will remain at 8 a.m. CET/CEST.

The corresponding reports covering projected EUR debits/credits will be made available before 2 a.m. CET/CEST, as is the case today. All the reports are described in Eurex Clearing > Support > Initiatives & Releases > [C7 Releases in the document Eurex Clearing XML Reports – Reference Manual](#).

4 T2-T2S Consolidation Member Documentation

The below-listed member documents are available for T2-T2S Consolidation. Updates are provided for every release, if applicable. The Eurex Clearing Member Communication Calendar states the publication dates for the documentation package throughout the current year.

Please refer to the table below for information on updated member documentation for T2-T2S Consolidation.

T2-T2S Consolidation Member Documentation	Publication
T2-T2S Consolidation Release Notes	23/2/2022
Member Communication Calendar	23/2/2022
Members Simulation Guide	10/5/2022
Customer Guide for Eurex Clearing's AS Transfer Order Process – pain.998 ASTI Messaging	28/2/2022

All documents which will be updated in connection with the introduction of T2-T2S Consolidation will be made available for download on Eurex Clearing's website www.eurex.com/ec-en/ under the following path:

Support > Initiatives & Releases > Project Readiness > [T2-T2S Consolidation](#)