

Marc Bayle de Jessé
Director General Market
Infrastructure and Payments

Mehdi Manaa
Head of Market Infrastructure
Development

Sylvain Debeaumont
Head of Market Infrastructure
Management

TARGET Services: advanced market infrastructure for Europe

Sibos 2017 Toronto

Overview

1

TARGET Services

by Marc Bayle de Jessé

2

TARGET Instant Payment Settlement

by Mehdi Manaa

3

New RTGS services

by Sylvain Debeaumont

Overview

1

TARGET Services

by Marc Bayle de Jessé

2

TARGET Instant Payment Settlement

by Mehdi Manaâ

3

New RTGS services

by Sylvain Debeaumont

T2S in full operation



- Migration to T2S completed
- 20 CSDs representing 20 European markets on board
- An average of 550,000 transactions to be settled daily
- Enhanced harmonisation of T2S markets

New activities in the pipeline

Enhancing
efficiency
and improving
integration
of the payment
landscape



Instant Payment Settlement service



New RTGS services



Eurosystem Collateral Management System

Main objectives



INNOVATION



EFFICIENCY



SAFETY



RESILIENCE

target
services

Overview

1

TARGET Services

by Marc Bayle de Jessé

2

TARGET Instant Payment Settlement

by Mehdi Manaâ

3

New RTGS Services

by Sylvain Debeaumont

Why a pan-European instant payment solution?



Global trend
towards instant
payments



Single currency but not
always single payment
method

Risk to re-introduce
market fragmentation in
Europe



Eurosystem best
suited to develop
pan-European solution
due to experience and
wide reach

target | instant services TIPS



24/7/365
operating hours



Support compliance with
SCT Inst scheme



Multi-currency
technical capability



Settlement in
central bank money

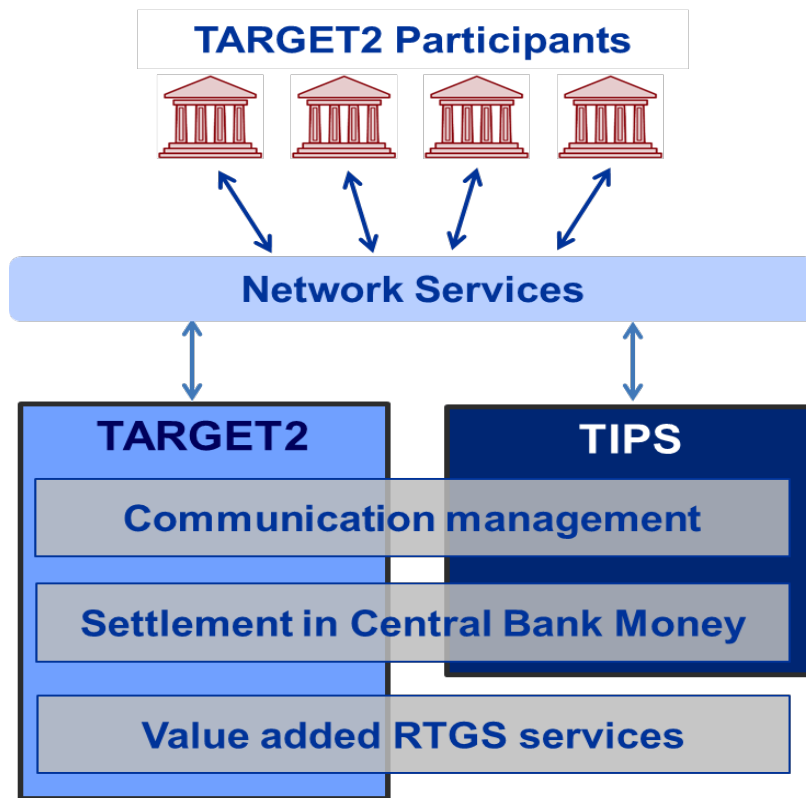


Processing time
within **10 seconds**



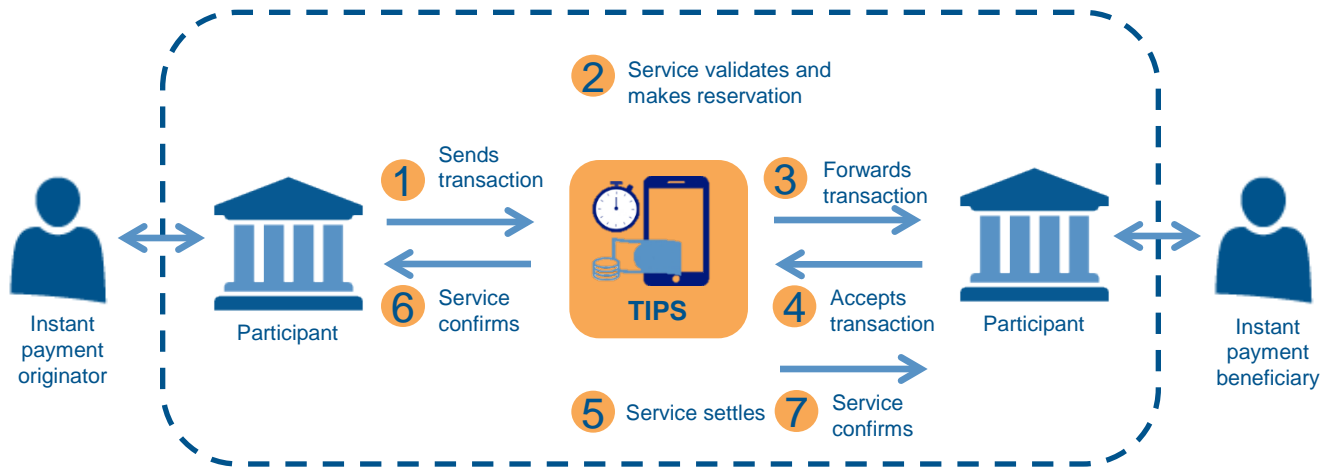
Operated on
full cost recovery

Integrated TARGET service



target | instant services TIPS

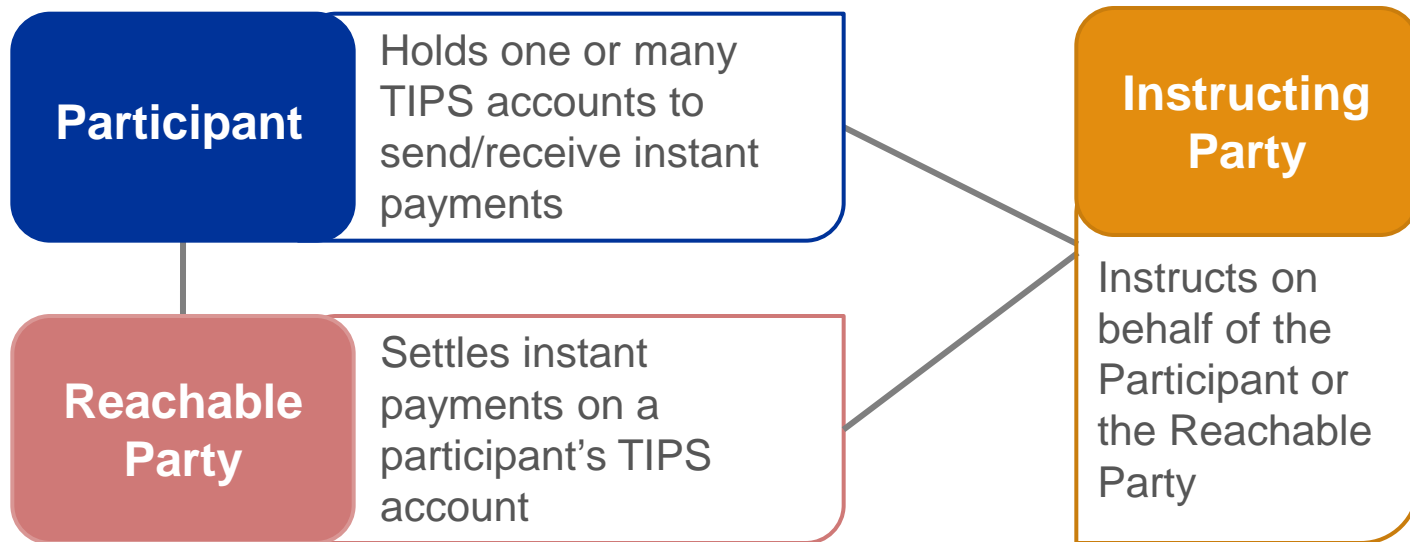
will enable citizens and businesses to transfer money between each other in real time, 24/7/365



Actors in TIPS

Same participation rules applied in **TARGET2**

(*i.e.* eligibility for accessing Central Bank Money)



Project challenges



Low latency, high volumes, high availability and resilience, scalability.



24/7/365 operations (mostly unattended): need for re-thinking of ITSM processes.



Time and technical dependencies with other projects (T2-T2S Consolidation).



Tight plan (both for development and procurement): 511 days to go-live...



- ➡ Architectures and technologies
- ➡ Change management and operational processes



- ➡ Processing up to 25,000 transactions per second
- ➡ Response time per transaction below 5 seconds
- ➡ Targeting a zero-incident framework

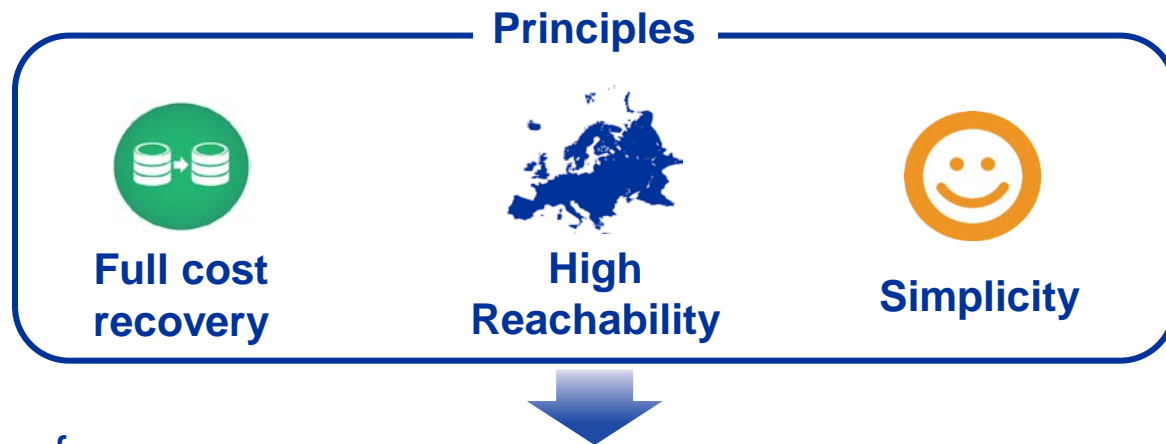


- ➡ Settlement in Central Bank Money
- ➡ Business continuity
- ➡ Deterministic status transition



- ➡ Resilience through application redundancy
- ➡ Self-healing application and infrastructure

Pricing policy



No entry fees



No fixed fees

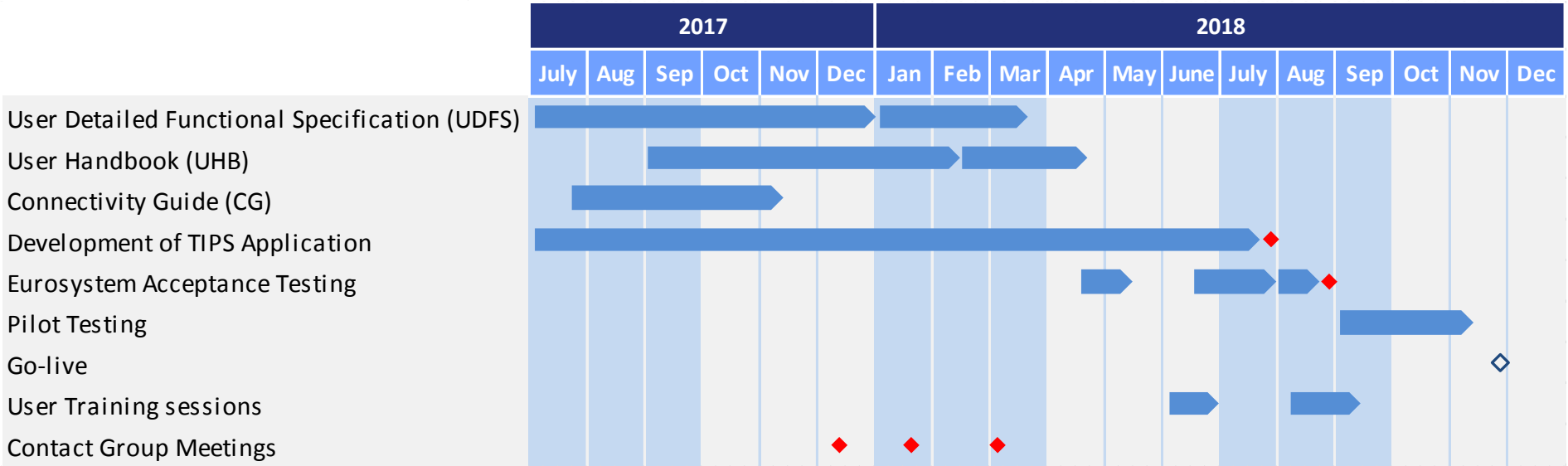
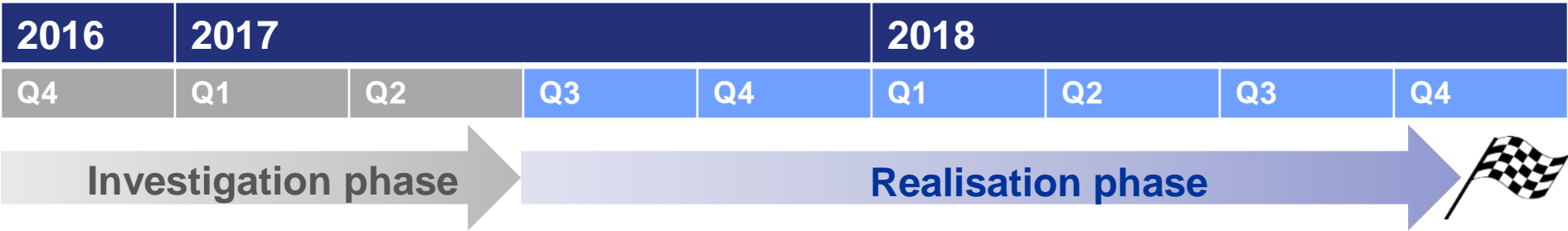


No account management/ information fees



Maximum price per instruction: € 0.2 eurocent [first two years]

Timeline





**End-to-end
service
availability**



Banks readiness



Network providers support



User-friendly apps for initiation
of instant payments

Collaboration with the market



Step 1 – Assessing the market needs

- Task force on the Settlement of Instant Payments
- Market consultation on the user requirements
- “TIPS on Tour” across Europe



Step 2 – Market involvement

- TIPS Contact Group with 40 industry representatives

Join our #TIPSapp Challenge!

- Develop a mobile app for initiating instant payments
- Send your proposal to TIPS@ecb.int by 1 December 2017
- Get a chance to present your app at an ECB event



Overview

1

TARGET Services

by Marc Bayle de Jessé

2

TARGET Instant Payment Settlement

by Mehdi Manaâ

3

New RTGS services

by Sylvain Debeaumont

Eurosystem's market infrastructure



*Securities
settlement*

Reference Data

Billing

Data Warehouse

Gateway



*High-value
payments*

Reference Data

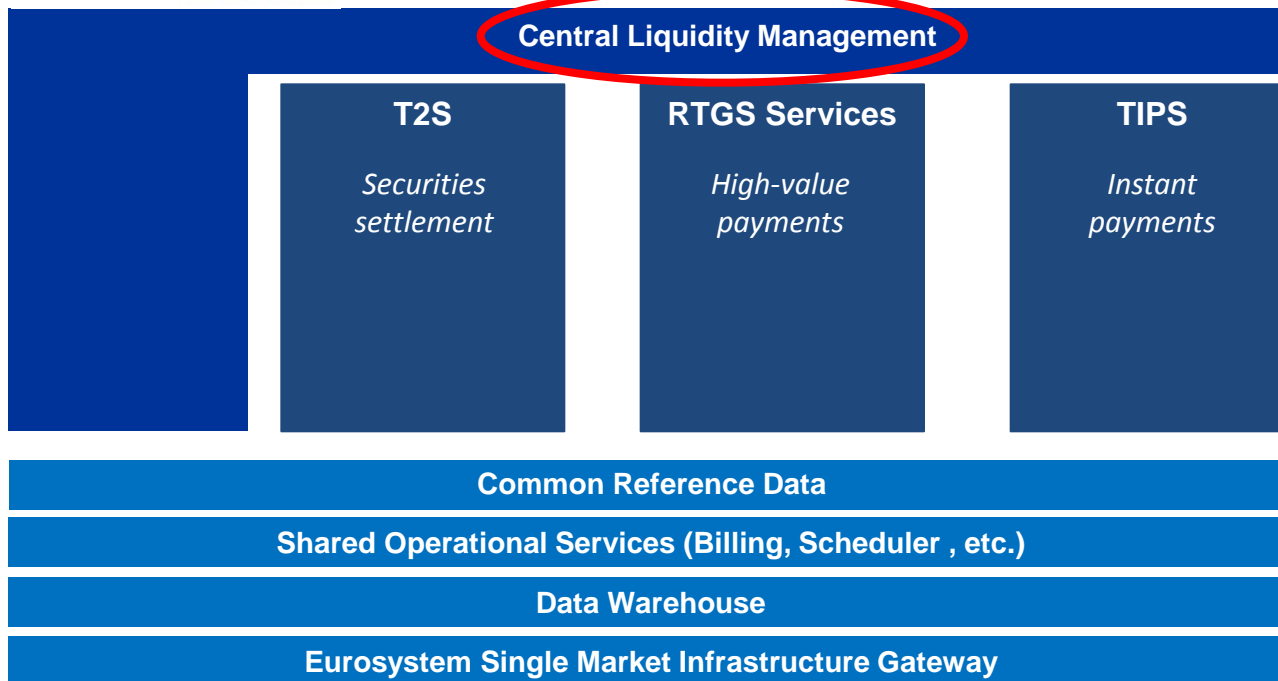
Billing

Data Warehouse

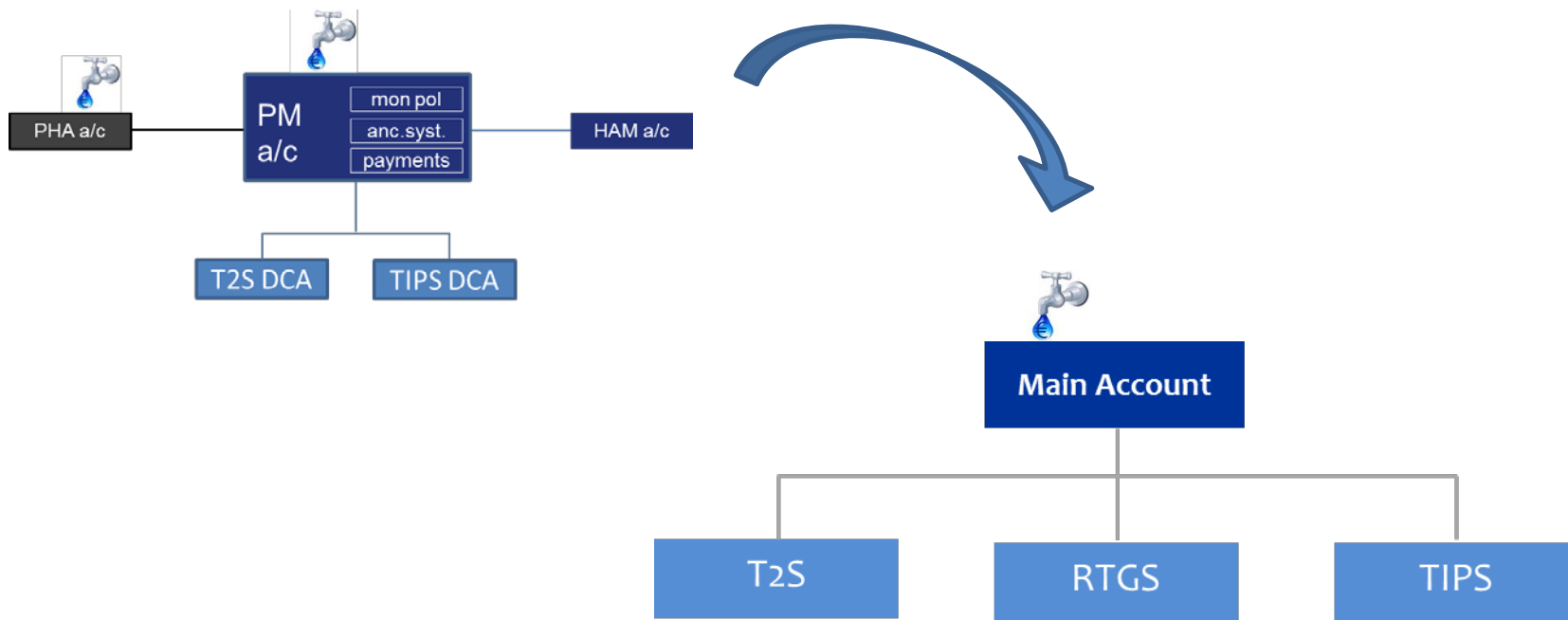
Gateway

Towards consolidated services

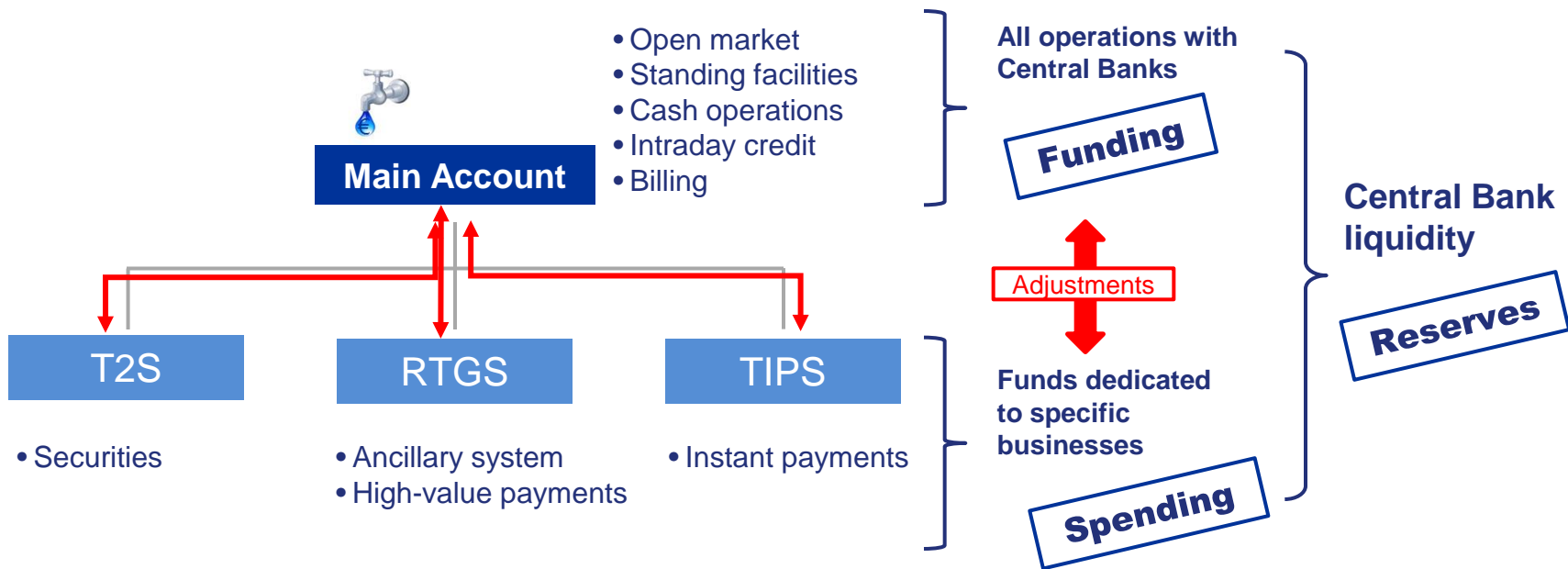
target
services



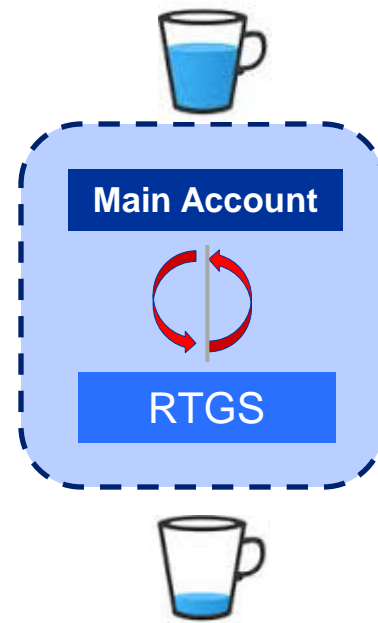
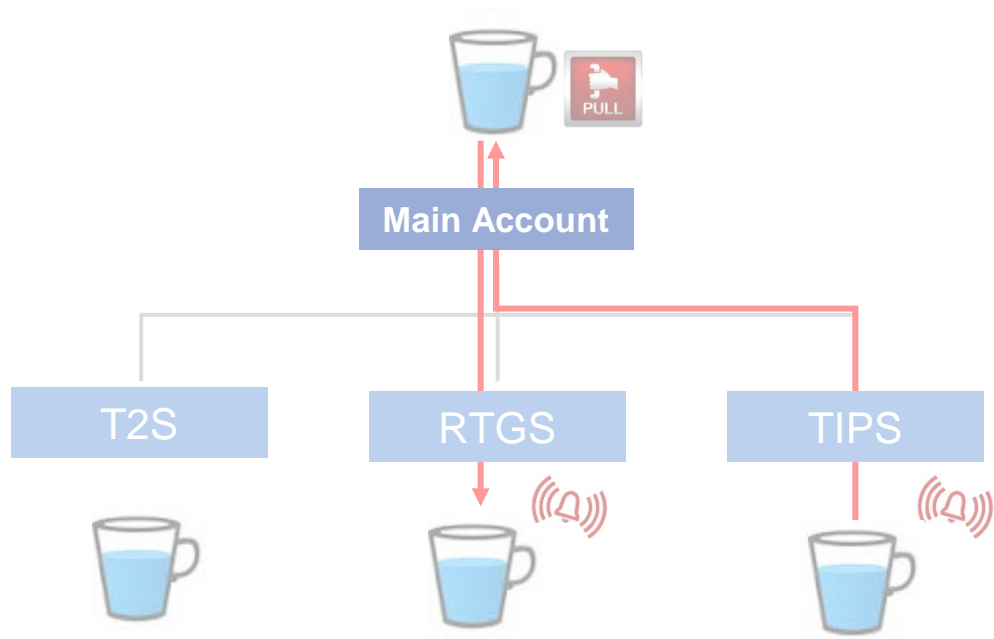
Central liquidity management



Central liquidity management



Central liquidity management





Data analytics



Multi-currency settlement



Central liquidity management



Extended operating hours



Migration to ISO 20022



Enhanced cyber security



Multi-network service providers

Timeline

2016		2017				2018			
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Investigation phase

Realisation phase

December '16 – April '17: Interaction with users

May '17 – June '17: Consultation with the market

July '17: Review and integration of market feedback

December '17: Decision by the ECB Governing Council

 @TARGETServices

Sibos 2017 Toronto

Meet us at stand K25, 16-19 October



EUROPEAN CENTRAL BANK

EUROSYSTEM