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# **TARGET Services: advanced market infrastructure for Europe**

**Il Salone dei Pagamenti**

L'Evoluzione delle infrastrutture  
dell'Eurosistema

Milan, 9<sup>th</sup> November 2018

# Overview

1

**TARGET Services**

2

**TARGET Instant Payment Settlement**

3

**New RTGS services**

# TARGET2 and T2S in full operation



target  
**2**

- 25 CBs
- Daily EUR 1,7 trillion  
350,000 transactions<sup>1</sup>
- > 1,000 direct  
participant
- 79 ancillary systems

t2s  
TARGET@-SECURITIES

- 22 CSDs
- 20 European markets
- 2 currencies
- Daily EUR 884 billion  
570,000 transactions<sup>2</sup>

<sup>1</sup> 2017 data    <sup>2</sup> Dec. 2017 data

# New activities

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

**2** TARGET Instant Payment Settlement

**3** New RTGS services

# Why a pan-European instant payment solution?



Global trend  
towards instant  
payments



Single currency but not  
always single payment  
method

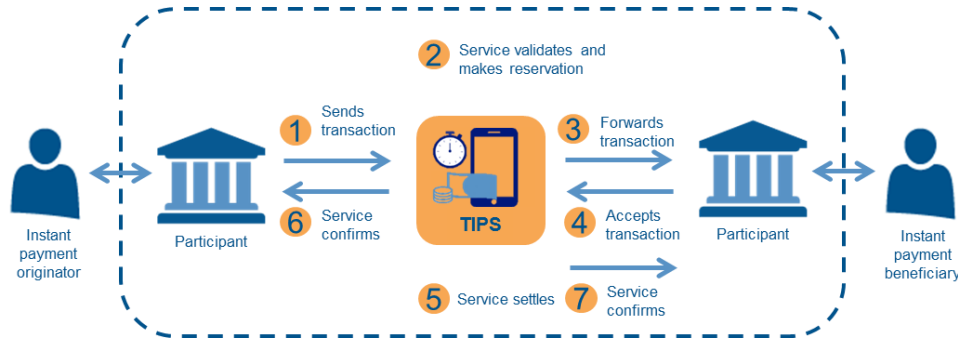
Risk to re-introduce  
market fragmentation in  
Europe



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

# TIPS: general principles

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**

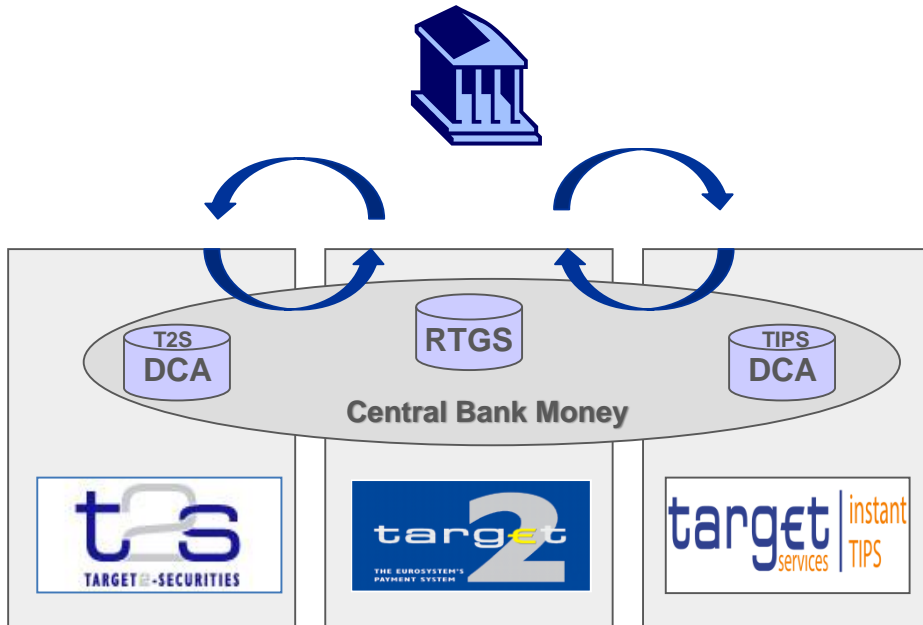


Operated on  
**full cost recovery**



# TIPS: liquidity management

Go-live  
30 Nov. 2018



To properly manage their liquidity, participants need to:

- **monitor** each account real-time
- get a **consolidated** position real-time
- **push** and **pull** liquidity from/to RTGS to DCAs
- manage fulfilment of **reserves**
- control recourse to **standing facilities**

$$\text{Minimum reserve} = \text{TARGET2 end of day balance} + \text{TIPS balance at the time of TARGET2 end of day}$$

# Overview

**1 TARGET Services**

**2 TARGET Instant Payment Settlement**

**3 New RTGS service**

# Why a new RTGS service (T2-T2S Consolidation)?

For more than a decade TARGET2 has been running smoothly.

However:

The payments  
landscape has  
changed  
significantly

Technical  
opportunities  
have further  
increased

The cost  
structure has  
been  
challenged

# Eurosystem's market infrastructure



Reference Data

Billing

Data Warehouse

Gateway



Reference Data

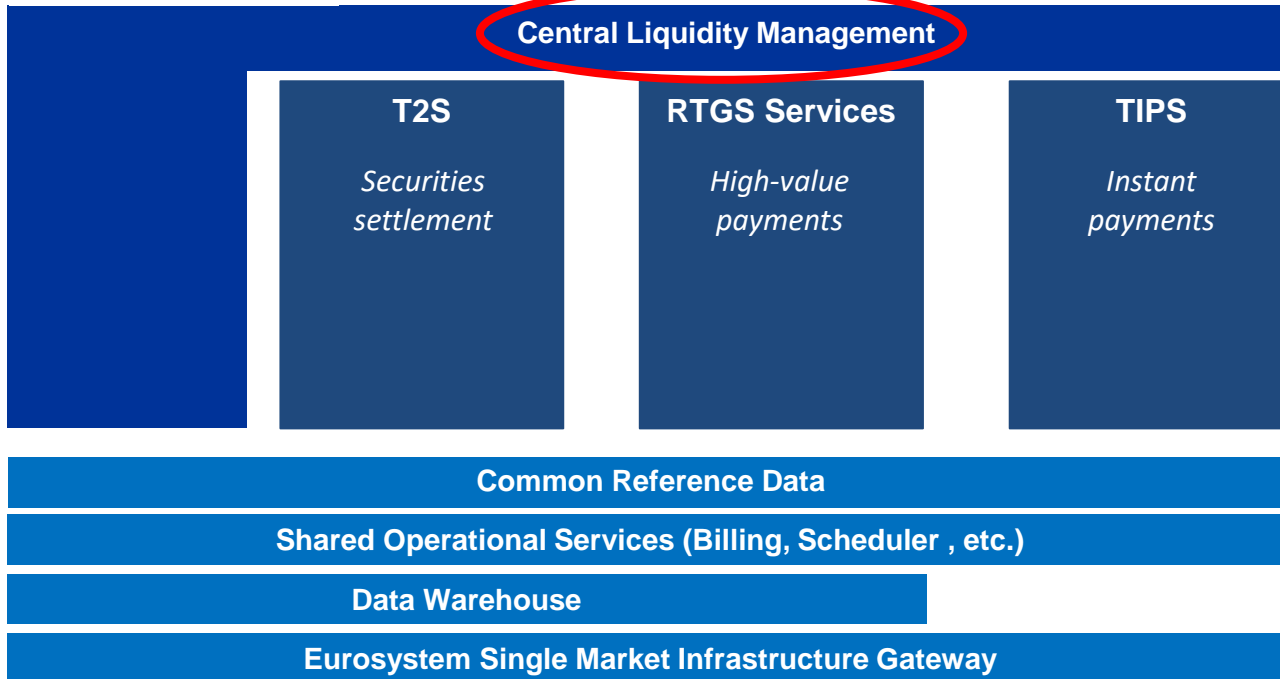
Billing

Data Warehouse

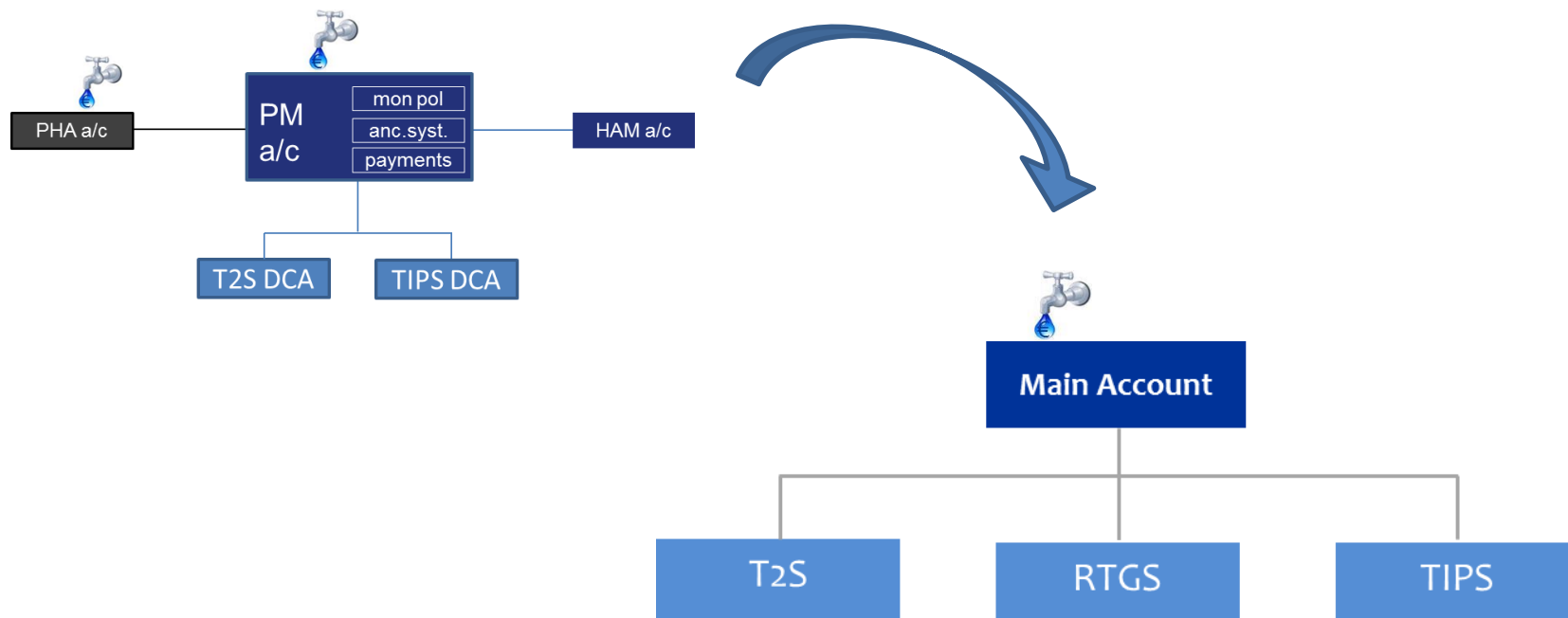
Gateway

# Towards consolidated services

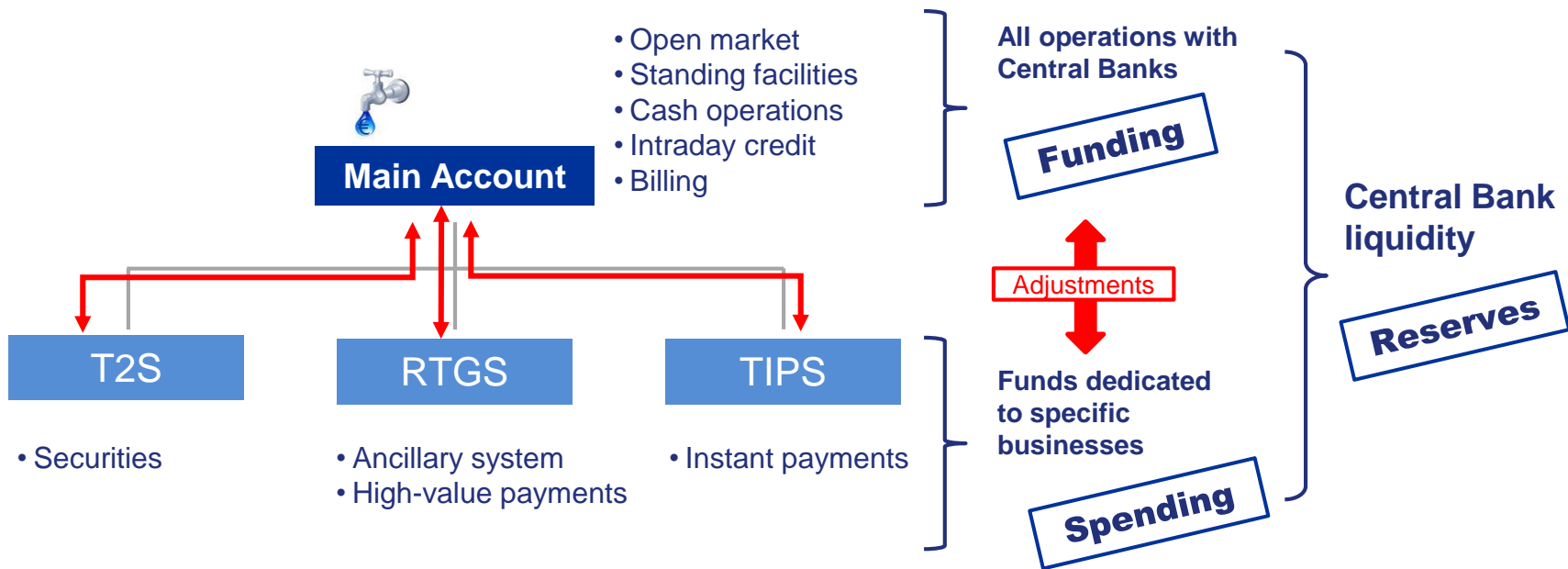
target  
services



# Central liquidity management



# Central liquidity management



Go-live  
Nov. 2021



- ➡ Data analytics
- ➡ Multi-currency settlement



- ➡ Central liquidity management
- ➡ Extended operating hours
- ➡ Migration to ISO 20022



- ➡ Enhanced cyber security



- ➡ Multi-network service providers and single gateway (ESMIG)



# Thank you

[www.ecb.europa.eu/paym](http://www.ecb.europa.eu/paym)