



van den berg

the transaction people

# T2/T2S CONSOLIDATION

van den Berg Service AG



# Impact of the implementation of ISO 20022

## Message structure

- Conversion of TARGET2 payments and payment flows to ISO 20022

## Complete changeover

- No "like-for-like" approach
- Complete conversion to and use of the ISO 20022 standard

## Interoperability

- No coexistence of ISO 20022 and MT in future RTGS services
- Cross-border transactions: interoperability between standards needed
- The Eurosystem will take these requirements into account in its further planning

## Platform independence

- Avoidance of proprietary services of individual network providers through ISO 20022 standard

## Big Bang

- All affected messages/services require a conversion at the same time

## Release of versions

- RTGS Settlement Services and CLM will in future only accept one (identical) version of the ISO messages
- Avoidance of administration, maintenance and acceptance of multiple versions

# Affected departments T2/T2S consolidation

## Payments Department

- Adaptation Formats
- Customization Workflows
- Adjustment of booking system
- Adaptation of workflows

## Treasury / Liquidity management

- Adjustment of account structure
- Adaptation of workflows
- Modified & automated carry-over
- possibilities

## IT

- Interfaces
- New systems
- Safety requirements

## Compliance

Review or creation of work instructions & documentation

# The benefits of T2/T2S consolidation

## Efficient

- Efficiency gains through the consistent use of XML ISO20022 (STP, less conversion necessary, reduction of complexity)

## TIPS

- Migration -> RT1 -> TIPS Conversion into central bank money
- Risk minimization through immediate settlement

## Conversion

- Reduction of technical interfaces, reduction of complexity
- But: It will still not work without conversion!

## Automation

- Simplified liquidity management through extensive automation and inclusion of DCA

## Customer

- Possibility for modernization in the customer-bank interface
- To be observed: XML always refers to ISO, not to SEPA format

## van den Berg Project Support – until now

1. Setup vdb internal task force
2. Individual sensitization of the institutes
3. Takeover Reporting technical contact person
4. Setting up the vdb support program
5. Implementation of initial workshops
6. Implementation of process analysis workshops
7. Implementation of workshops on role & authorization concepts
8. Implementation of update workshops
9. Creation of technical concepts

## Results of vdb Support Programm

- + Close and regular exchange, also on secondary topics
- + Trusting and responsible cooperation
- + Comprehensive advice to the bank for optimal positioning
- + Benefit from Community Program
- Raising awareness of the Bank's project responsibility is not easy
- Comprehensive lighting of the effects (not just a payment transactions theme!)
- Hardly any difference between small and large institutes
- General assessment of the relevance of this issue
- Cooperation with departments beyond the payment traffic
- Small institutions feel a greater respect for direct contact by the Bundesbank than larger institutions

Would you like to receive more information or support in the area of  
T2/T2S Consolidation?  
Please feel free to contact us!

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