

ESMIG Connectivity Framework General Terms Of Reference



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Provided by: Banca d'Italia, Jun 2021

Connectivity to ESMIG: definitions and actors involved



- Developed in the context of the Market Infrastructure Services' **Consolidation** project, the Eurosystem Single Market Infrastructure Gateway (ESMIG) will provide a **single access point** for external **inbound and outbound communication** to **all the TARGET Services**, the market infrastructure common components and applications;
- The **main actors** involved in the preparation and implementation of the connectivity to ESMIG, having rights and obligations set out by the Concession Contract, are:
 - The **Eurosystem with Banca d'Italia** as its **mandated agent** ;
 - Directly Connected Actor (**Di.Co.A.**), as any entity that is **authorized to exchange electronic data with a Eurosystem market infrastructure.**;
 - **Two** network service providers (**NSPs**), **SIA-COLT** and **SWIFT**, selected, based on the result of the **public awarding procedure** run to provide connectivity services for ESMIG;

How to connect to ESMIG: technical solutions



- ESMIG has been developed to ensure **maximum resiliency** for the connection to TARGET Services, while granting **low prices** leveraging on competition among NSPs.
- As an application of this principle, various solutions are possible and they are described in the description of the services to be requested to NSPs.

Relationship between the NSP and Di.Co.A.

1. Selection



- **Selection.** A Di.Co.A. may select the ESMIG NSP of their choice for the provision of ESMIG connectivity services. The way in which the Di.Co.A. selects the ESMIG NSP may differ according to its own nature (i.e. contracting authority, subject to procurement law, or private entity not subject to any public procurement law). Regardless of this, it remains an **ESMIG NSP's duty to guarantee vis-à-vis the Di.Co.A the compliance with the Concession Contract** of the terms under which ESMIG services are provided (i.e., among the others, SLAs and the maximum prices, links at the end).

Relationship between the NSP and Di.Co.A.

2. Quotation



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- Upon **request by the Di.Co.A.**, the NSP will provide a clear and detailed **quotation** of the various items falling under the scope of the Concession. This quotation, together with other documentation part of the NSP offer, has the purpose and must be drafted in such a way to enable the Di.Co.A. to **verify** immediately and on its own the **compliance** with maximum prices, functional, and technical requirements of the offer.

Relationship between the NSP and Di.Co.A.

3. Contract



- The **duration** of the ESMIG contract between the Di.Co.A. and the ESMIG NSP cannot exceed that of the Concession (**10 years** from the start of the first service that migrates to ESMIG, currently estimated for TIPS at 22/11/2021). It may also cover **other services** (i.e. ESMIG service with value added, or services totally detached from ESMIG) with the **possibility of hybrid use** of hardware and software lines:
- **Execution.** After the signature, it can be executed by both the NSP and the Di.Co.A. **No contract** regulating any item or service falling under the concession can be **validly signed with any entity other than the two ESMIG NSP.**

Relationship between the NSP and Di.Co.A.

4. “Demarcation Line”



- For ESMIG the Eurosystem has defined a certain **set of service levels**, their application depends on **where the demarcation line of responsibilities falls**, especially that **between the ESMIG NSP and the Di.Co.A.**
- The **“demarcation line”** between the ESMIG NSP and the Di.Co.A. is **bilaterally agreed** by the Parties. It defines where it is NSP’s duty to intervene in case problems arise.

Reuse of existing lines and hardware, new lines and hardware used for non-ESMIG purposes



- A Di.Co.A **already** being provided **connectivity** by an **ESMIG NSP** may choose to connect to ESMIG by **reusing the infrastructure** already provided by the ESMIG NSP directly or by its authorized subcontractors.
- In this case it is **required** that the **ESMIG NSP agrees** to such a reuse and that it remains in **full control** (directly or through a subcontractor) of the infrastructure.
- **Regardless** of whether the setup agreed upon between the ESMIG NSP and the Di.Co.A. includes or not a **reuse**, the **ESMIG NSP** shall provide to the Di.Co.A. ESMIG connectivity services according to the **same service levels**, as guaranteed by the ESMIG Concession Contracts.
- Also in case of re-use, the provision of **ESMIG Connectivity Services** shall **entirely** be **governed** by the **ESMIG Contract** between the ESMIG NSP and the Di.Co.A.

Two NSPs Setup

- A Di.Co.A. may decide also to use **an ESMIG NSP for a subset of items** falling under the concession and **another ESMIG NSP for a different set of items**, in order to satisfy its ESMIG connectivity needs.
- The Di.Co.A. can select two NSPs provided that the services considered in aggregate are **within the limits of the concession contract**.
- As an example, a Di.Co.A. may enter into **two separate agreements** with both ESMIG NSPs in order to acquire **two fully fledged solutions**, as a contingency set up, or to acquire **two different connections**, one fully fledged and the other just low volume U2A access.

Links and contacts



- ToR on ESMIG, 29 March 2021, ECB website: [ESMIG Terms of Reference](#)
 - Documentation related to the NSPs awarding procedure, signed ESMIG Concession Contracts and clarifications (all Q&A documents), Banca d'Italia Gare&Appalti website: [Awarding Procedure and ESMIG Concession Contract documentation](#)
(i.e. awarding procedure G011/18, procedure with deadline on 28 March 2019)
 - Q&A documents, ECB website : [ECB document gathering the Q&As.](#)
- To address questions on the ESMIG Concession Contract, please contact BDI at: ESMIG-Connectivity@bancaditalia.it