

07 November 2024

OUTCOME OF THE T2 CONTACT GROUP (T2-CG)

16 October 2024, 10:00 – 15:00 CET

Online (Teams)

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1 Introductory remarks and approval of the agenda

The co-Chairs will welcome the participants to the meeting and invite T2-CG members to approve the draft agenda and the current status of the action points.

T2-CG members are invited to approve the agenda.

Outcome:

- The participants approved the agenda.
- The Contact Group members were informed that the ISO unfreeze strategy will be presented in detail at the next T2-CG meeting on 10 December 2024.
- It was confirmed that the current security requirements for TARGET participants will remain the same for 2024 and 2025 Self-attestation exercises.
- The Contact Group members were informed that the identification of critical participants for 2024 has been completed and the Self-certification exercise now started.

2 T2-CG general topics

2.1 Outcome of the last meetings and action points

The members of the T2-CG will be invited to approve the outcome of the last T2-CG meeting and agree on the status of the action points.

Background documentation (for information or approval without discussion):

- A. [\[ECB\] Outcome of the 6th T2-CG meeting](#) [sent on 22 July 2024]
- B. [T2-CG Action Points](#) (remained open after the 12 June 2024 T2-CG meeting)

Outcome:

- The T2-CG members approved the outcome of the last meeting which incorporated the T2-CG feedback and was circulated on 22 July 2024.
- Regarding the status of the action points, the group was informed that after the last T2-CG meeting that took place on 12 June 2024, 4 action points were opened. The status at the time of the meeting was the following:
 - AP-005 on T2 Operations – agenda item 4.1 T2 traffic developments.
AP closed: The presentation on the level of tiering in T2 was presented in the T2-CG meeting on 16 October 2024.
 - AP-006 on T2 Evolution – agenda item 5.1 T2 Releases.
AP closed: The publication of the main milestones and release scope for T2 R2025.JUN took place on 29 July 2024. Furthermore, the participants were informed that the release scope and milestones for T2 R2025.NOV are currently under preparation and will be published on the ECB website towards the end of 2024.
 - AP-007 on T2 Evolution – agenda item 5.2 Ongoing Change Requests Assessments
AP closed: The ECB evolution team confirmed that CRs T2-0060-UDFS "Intraday propagation of reference data" and T2-0139-UDFS "Interim balances in camt.053" were published on the ECB website on 15 and 14 October 2024.

- AP-008 on T2 Evolution/Operations – agenda item 5.4.1 Remaining scope of DWH pre-defined reports

AP remains open: The 4CB will provide a presentation with some statistics on the usage of the DWH reports by market participants during the December 2024 T2-CG meeting.

3 Common topics (Operations & Evolution) – T2 Operations

3.1 Regular reporting on operational matters

The T2-CG will be informed of the latest operational matters. Moreover, the participants will be briefed on the system performance that took place since the latest T2-CG meeting.

Discussion documentation:

- A. *[ECB] Regular Reporting on Operational matters [sent on 15/10/2024]*

Outcome:

- The ECB presented three incidents that materialised since the last T2-CG meeting. Two of them were of external origin (SWIFT incident on 18 July and the CrowdStrike incident on 19 July).
- The most impactful incident during the covered period took place on 30 August (RTGS A2A unavailability). The ECB recalled the details of the incidents which led to the activation of ECONS. It was recalled that such a decision was taken based on the information at hand, i.e. that not all very critical transactions were settled at the time of an incident (outstanding CLS pay-ins). In addition, no expectation on the incident resolution time was available.

It was only clarified after the resolution of the incident that only A2A traffic was affected while the U2A access had remained available. Accordingly, U2A could have been used as a workaround for settling payments. The ECB emphasised that ECONS should not be strictly associated with a severe incident completely blocking T2. Instead, it was clarified that ECONS may also be opened as a preventive measure during any phase of the business day (could also be for a short time) without necessarily impacting the rest of the business day processing/schedule. This approach will be reassessed in view of the go-live of ECMS. The assessment as to how ECMS may affect the activation and usage of ECONS will be performed by the CBs. Afterwards, a communication to participants will be prepared containing explanations/recommendations on the use of the ECMS credit freezing and any other relevant ECMS functionality. The new procedure will be afterwards also described in the Information Guide for TARGET participants.

- The ECB recalled the reasons for the activation of the optional Maintenance window on 4 September which was activated in order to allow replacement of a SWIFT hardware component within the 4CB infrastructure.
- Furthermore, the T2-CG members were informed of the successful completion of the ECONS two-day test in UTEST between 24-25 September 2024.
- Lastly, the T2-CG were reminded that the T2 November 2024 release is fast approaching (15-17 November 2024) and that the changes to the business day schedule during the release weekend will be communicated to the market via a dedicated communication letter.

3.2 ESMIG dual connection

The T2-CG members will be reminded that all T2 critical participants are required to obtain a dual connection (i.e. via two different Network Service Providers) to ESMIG by March 2026.

In September 2024, the central banks started with the monitoring of the critical participants' status for acquiring the dual connection to ESMIG. This will now be conducted on regular basis.

Outcome:

- The ECB recalled the contractual obligation for all critical participants to procure a dual (contingency) connection to ESMIG via the second NSP three years after the T2 go-live at the latest (which corresponds to March 2026). This will enhance the resilience and decrease the systemic risk as in the extreme (but plausible) scenario of a prolonged outage of one NSP, as all critical participants will then have a possibility to send their payments via the second one.
- Recently, all the critical participants were for the first time contacted by their central banks with the request to report on their status for establishing the connection to ESMIG via the second Network Service provider (NSP).
- Based on the feedback received by the critical participants, the majority of them is currently in the phase of setting up the internal procurement activities.
- The central banks will now continue to monitor the progress of procuring the dual connection more closely and critical participants should expect to receive requests for reporting on the status of this project every 3-4 months until March 2026.

4 T2 Analytics

4.1 T2 traffic developments

The T2-CG will be presented with the latest T2 traffic indicators.

Discussion documentation:

- A. *[ECB] T2 traffic indicators [sent on 15/10/2024]*
- B. *[ECB] Tiered participation arrangements in T2 [sent on 16/10/2024]*

Outcome:

- The ECB presented to the T2-CG members the latest T2 traffic developments. It was observed that volumes are constantly growing while values, which had decreased at the beginning of T2, have meanwhile stabilised.
It was noted that the overall liquidity across all TARGET services is slowly declining.
- Furthermore, the T2-CG members were presented how the level of tiering has evolved between TARGET2 and T2. The level of tiering in payment systems is one aspect specifically looked at by overseers (i.e. PFMI principle 19). It was observed that the level of tiering in T2 is fully consistent with the level of tiering in TARGET2 previously, and that the changes are mainly explained by methodological differences. Furthermore, it was identified that on average most T2 indirect participants have several channels in place which they can use and with this they increase their resilience.

5 T2 Evolution - Change and Release Management

5.1 T2 Releases testing and testing deliverables

The participants will be debriefed on the testing progress of the T2 R2024.NOV and on updates to testing documentation which is published on the ECB website.

Discussion documentation:

- A. *[ECB] Release testing and testing Deliverables [sent on 15/10/2024]*

Outcome:

- The T2-CG participants received an update on the scope of T2 R2024.NOV consisting of 7 Change Requests, including 1 Editorial Change Request, and 113 Production Problems. The ECB reported also on the testing status of the Change Requests as well as the ongoing finalisation of the T2-TRSG entry to Production report to be delivered on 30 October 2024. The release deployment to Production is scheduled for 16 November 2024.
- The ECB confirmed that the updated versions of the Terms of reference for user testing and of the T2 mandatory Test Cases UT were published on the ECB webpage. The TARGET Services Registration and Onboarding Guide, on the other hand, is being finalised and will be published by mid November 2024, at the latest.

5.2 Ongoing Change Requests Assessments

The T2-CG will be provided with a status update on selected ongoing Change Requests:

- **T2-0060-UDFS “Intraday propagation of reference data”**
 - The 4CB delivered the preliminary assessment of the Change Request on 23 July 2024 which was subsequently approved by the T2 Working Group.
 - However, the Change Request is currently on hold due to the ongoing discussion on the possible scope extension to include the intraday switch from the primary to the secondary NSP in case of contingency. Once the new requirements are finalised and integrated, the CR will be submitted to 4CB for a detailed assessment.
- **T2-0129-URD “CRDM admin users access rights scope limitation”**
 - During the February 2024 T2-CG meeting, the participants were presented with the Detailed Assessment of the Change Request, as well as the changes introduced for the Certificate Distinguished Name (DN) and User-Certificate DN link screens.
 - In preparation for the migration activities to be performed with the deployment of the CR, 4CB conducted a simulation identifying respective parties to which Certificate DNs will be assigned. The results were shared with the T2-WG via Written Consultation in order to allow CBs to provide their feedback on the DN migration principles.
 - The consolidated feedback is currently being processed by 4CB and the CBs will be approached with the 4CB analysis once finalised.
 - The Change request will be delivered as part of the T2 R2025.JUN release.
- **T2-0132-SYS “Alignment of T2 Messages with ISO Maintenance Release 2020 – 2024”**
 - The MIB approved the delivery of the change request with T2 R2026.JUN.
- **T2-0139-UDFS “Interim balances in camt.053”**
 - The 4CB delivered the preliminary assessment of the Change Request on 15 July 2024 and it was shared with the T2 Working Group and the T2 Contact Group to assess the criticality.
 - After considering the criticality assessment of both groups, the 4CB was invited on 12 August 2024 to proceed with the Detailed Assessment in view of T2 R2025.NOV.

- **T2-0142-SYS “IBAN Checksum Validation in A2A”**
 - The initial review of the Change Request by the 4CB and the T2 Working Group concluded on 05 July 2024.
 - As per 4CB planning, the Preliminary Assessment will start on 02 September 2024 and is expected to be delivered on 16 October 2024.

- **T2-0146-UDFS “HPVS Plus UG2025 maintenance on T2 RTGS messages”**
 - The new version of HVPS+ usage guidelines “UG2025 will, among other changes, enable the usage of the hybrid postal address in ISO 20022 messages for cross-border payments supporting the payments industry’s migration to ISO 20022 by November 2025.
 - Hence, the Change Request T2-0146-UDFS was introduced to enable the usage of the hybrid postal address in T2 RTGS messages. Moreover, considering the end of the migration period, the Change Request will be assessed in fast track (without a Preliminary Assessment) in view of an implementation with T2 R2025.NOV.
 - The 4CB planning foresees the start of the DA on 14 October 2024 and the delivery on 10 January 2025 with the steering level approval expected by 21 February 2025.
 - The T2-CG members are invited to take note of the above delivery planning as well as the details of the changes introduced by the Change Request detailed in the presentation provided as background documentation.

Background documentation:

- A. [\[ECB\] T2-0129-URD – CRDM admin users access rights scope limitation – Detailed Assessment](#) [shared as part of the 15 February 2024 T2-CG meeting documentation]
- B. [\[ECB\] High level overview of planned changes to be included in T2 CR146](#) [sent on 10/10/2024]

Outcome:

- The participants were invited to take note of the status of the six Change Requests detailed in the meeting agenda. In this context the ECB also clarified the following:
 - Change Request T2-0060-UDFS “Intraday propagation of reference data” is on-hold as its requirements are being revised to reflect the conclusions stemming from the ongoing discussion on the intraday switch from the primary to the secondary NSP.
 - the target release for Change Request T2-0142-SYS “IBAN Checksum Validation in A2A” will be T2 R2025.NOV subject to 4CB detailed assessment confirmation.
- The evolution team informed of a potential update to the format of the T2 Production conditions documentation which is currently published on the ECB Website. The update foresees that all the relevant information will be consolidated in one Excel file, removing the need for the additional pdf document. The excel file would have a similar format to the currently published Annex A – PBI Extract and could be provided on a more regular basis. The T2-CG members had no objections. The proposal will be presented to the next T2-WG meeting for endorsement before it is applied in practice.

5.3 T2 and AE Demand Collection 2025-2027

The T2-CG members will be informed of the latest status of the T2 and AE Demand collection for 2025 – 2027.

Discussion documentation:

- A. [\[ECB\] T2 and AE Demand Collection 2025-2027 – status update](#)

Outcome:

- The ECB provided a qualitative and quantitative overview of the feedback received in the context of the T2 Demand Collection exercise.
- The participants were also informed about the next steps, namely:
 - ECB to finalise the T2 Demand Collection document by end October 2024
 - 4CB to compare the above document with the implementation capacity by mid November 2024
 - MIB to review and approve the final outcome of the exercise by end November 2024
- In order to efficiently address market feedback, the ECB will start organising ad-hoc meetings on liquidity and treasury management with dedicated experts. A first call with this composition will be organised before the year-end to discuss on some existing high level demands which received diverging feedback from different communities. The nomination of the participants for the ad-hoc discussions on liquidity and treasury management topics will be possible via a dedicated Written Procedure.

5.4 DWH

5.4.1 Long term solution – Output formats of DWH reports

The T2-CG will be presented with the long-term solutions to the issues/obstacles with the output formats of DWH reports which were approved by the T2-WG. These issues are impacting reports which have more than one table (e.g. PAR03).

Discussion documentation:

A. *[4CB] Long-term solution for obstacles with different output formats [sent on 11/10/2024]*

Outcome:

- The 4CB presented the long-term solution to address the tab and data issue affecting some of the DWH reports exported in Excel Data, CSV or XML format.
- Regarding the tab issue the proposed solution is to enhance the input screen by an additional input filter which would allow users to select the desired tab to be exported. The 4CB also confirmed that the preselection would work when scheduling reports to be received on a regular basis.
- For what concerns the data issue the 4CB long-term solution foresees the provision of data of the affected reports in raw format allowing users to perform calculations or graphical illustrations on their own.
- In terms of implementation timeline, the 4CB clarified that both solutions to address the tab and the data issue should be implemented together. Additionally, considering the changes to be implemented in the system and the documentation, the target release for the delivery would be T2 R2025.NOV.
- The T2 Contact Group members took note of the long-term solutions and the implementation timeline.

6 Any Other Business