



EUROPEAN CENTRAL BANK

EUROSYSTEM

**Joint AMI-Pay & AMI-SeCo meeting**  
*3 December 2020*

**DG-Market Infrastructure and Payments**  
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European Central Bank

# **Communication on the financial aspects related to the rescheduling of T2-T2S Consolidation and ECMS projects**

- Follow-up to the ECB's Governing Council recent decisions on:
  - a. the rescheduling of both T2-T2S Consolidation (CSLD) and ECMS projects by 1 year (new go-live dates respectively set for November 2022 and November 2023); and
  - b. the financial implications of the rescheduling of the two projects in question
- The two projects' rescheduling decisions by the Governing Council were driven by the request expressed by the market, in view of the COVID-19 outbreak and the decision by SWIFT to reschedule the cross-border payments migration to ISO 20022 by 1 year (11/2021 to 11/2022)
- This presentation outlines the financial implications of the CSLD and ECMS projects' rescheduling

## The financial implications can be summarized as follows:

1. The rescheduling of both CSLD and ECMS go-live by 1 year, in line with the wish expressed by the market, will lead to **additional costs for the two projects**
2. These additional costs **will be partially absorbed by the Eurosystem and partially be recovered via market fees** (following the Eurosystem full cost recovery principle), provided:
  - a. **they concern market-oriented TARGET services** (i.e. any T2/CLM and ECMS additional costs are by definition out of scope)
  - b. **they affect the financial envelopes of the projects:**
    - One half of the additional costs (except those for T2/CLM and ECMS) were attributed to the market's request for postponement, and were thereby made subject to recovery via market fees. These costs will be included in the projects' financial envelopes
    - The remaining additional costs will be assumed by the Eurosystem. These costs will not be included in the projects' financial envelopes

3. The **T2/RTGS** amount of full costs to be recovered (reflected in the T2/RTGS Pricing Envelope) will **be increased, although only marginally** (initial estimations: <2% increase)
4. The Eurosystem **will not revisit the T2 pricing policy before 2024**, in light of:
  - a. the recent publication of T2 pricing policy
  - b. the relatively limited increase of costs to be recovered, and
  - c. the uncertainty associated with future T2/RTGS volumes

This is in line with the message shared with the market at the time of the publication of the T2 pricing policy, in July 2020.

5. The **T2S and TIPS Pricing Envelopes will remain unaltered**