



Target Consolidation Training

Virtual Info session n°4 on Business day management

2021-11-17

10:30 – 11:30

WEBEX EVENT

New Business Day and Business Day Management (BDM) in TARGET Services



Event rules

Join Event Now

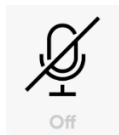
To join this event, provide the following information.

First name:

Last name:

Email address:

Event password:



Q&A

- Make sure you respect the naming convention
 - First name = Full name (first name + last name)
 - Last name = Bank name
 - Email = Professional email address
- Camera off by default
- Microphone off by default
- Questions allowed in the chat or by raising hand
 - In case of too many questions, send your question to Target.conso@bcl.lu
- Do not forget to lower hand after having asked a question

Training agenda

TARGET CONSOLIDATION PROJECT BCL Training sessions for future MCA holders in Luxembourg 2021 Program							
	What ?		When ?	How long ?	Who attends ?		
n°	Topic	details	Event Date 2021	Session format	Configuration A A2A + U2A	Configuration B U2A only	Configuration C Co-managed
1	Registration forms	How to fill in the form and send it to the BCL ?	12-oct	1h morning Session	YES	YES	YES
2	Connectivity	Focus on connectivity testing and upcoming milestones	28-sept	1h morning Session	YES	YES	NO
3	Introduction - Basic concepts	Vision 2020, ESMIG, A2A vs U2A, MCA vs DCA	17-nov	1h morning Session	YES	YES	YES
4	Introduction - Business day	New Business day in TARGET services	17-nov	1h morning Session	YES	YES	Optional
5	CRDM Reference data - Basics	Account details and how to create users ? How to assign roles and privileges ?	22-nov	1h morning Session	YES	YES	NO
6	CRDM Reference data - Configuration	How to configure my account ? How to set-up reports and messages ?	22-nov	1h morning Session	YES	YES	NO
7	CLM - Liquidity management	How do I manage my liquidity in CLM?	23-nov	1h morning Session	YES	YES	NO
8	CLM - CB services	Central bank services: Minimum reserves, Standing Facilities, etc	23-nov	1h morning Session	YES	YES	NO
9	CLM - ISO 20022 messages	Focus on CLM ISO 20022 key messages	23-nov	1h morning Session	YES	NO	NO
10	RTGS - Liquidity management	How to manage liquidity on RTGS? Interaction with other services	24-nov	1h morning Session	YES if RTGS	YES if RTGS	NO
11	RTGS - Payments	How do I instruct a payment?	24-nov	1h morning Session	YES if RTGS	YES if RTGS	NO
12	RTGS - ISO 20022 messages	Focus on RTGS ISO20022 key messages	24-nov	1h morning Session	YES if RTGS	NO	NO
13	Testing and migration	Testing and migration in 2022	25-nov	1h morning Session	YES	YES	NO
14	Additional features	Billing, datawarehouse	25-nov	1h morning Session	YES	YES	NO
15	Co-management	Focus on co-manager activities	26-nov	1h morning Session	YES if co-manager	YES if co-manager	Optional
16	Co-management	Focus on co-managees activities	26-nov	1h morning Session	Optional	Optional	YES

Agenda

1. Introduction

1.1. Introduction TARGET Consolidation (Reminder)

1.2. Introduction to Business Day Management

2. CLM – Central Liquidity Management

2.1. Business Day on CLM

2.2. Business Day Schedule in CLM

2.3. Description of CLM processes during RTS

2.4. End-of-day period

(Participation is optional for non RTGS participants)

3. RTGS – Real Time Gross Settlement

3.1. Business Day on RTGS

2.2. Business Day Schedule in RTGS

2.3. Start of Day

2.4. RTGS RTS I

2.5. Maintenance Window

2.6. RTGS RTS II

2.7. End-of-day period

2.8. Closing Days on RTGS

1. Introduction

Introduction

TARGET Consolidation (Reminder)

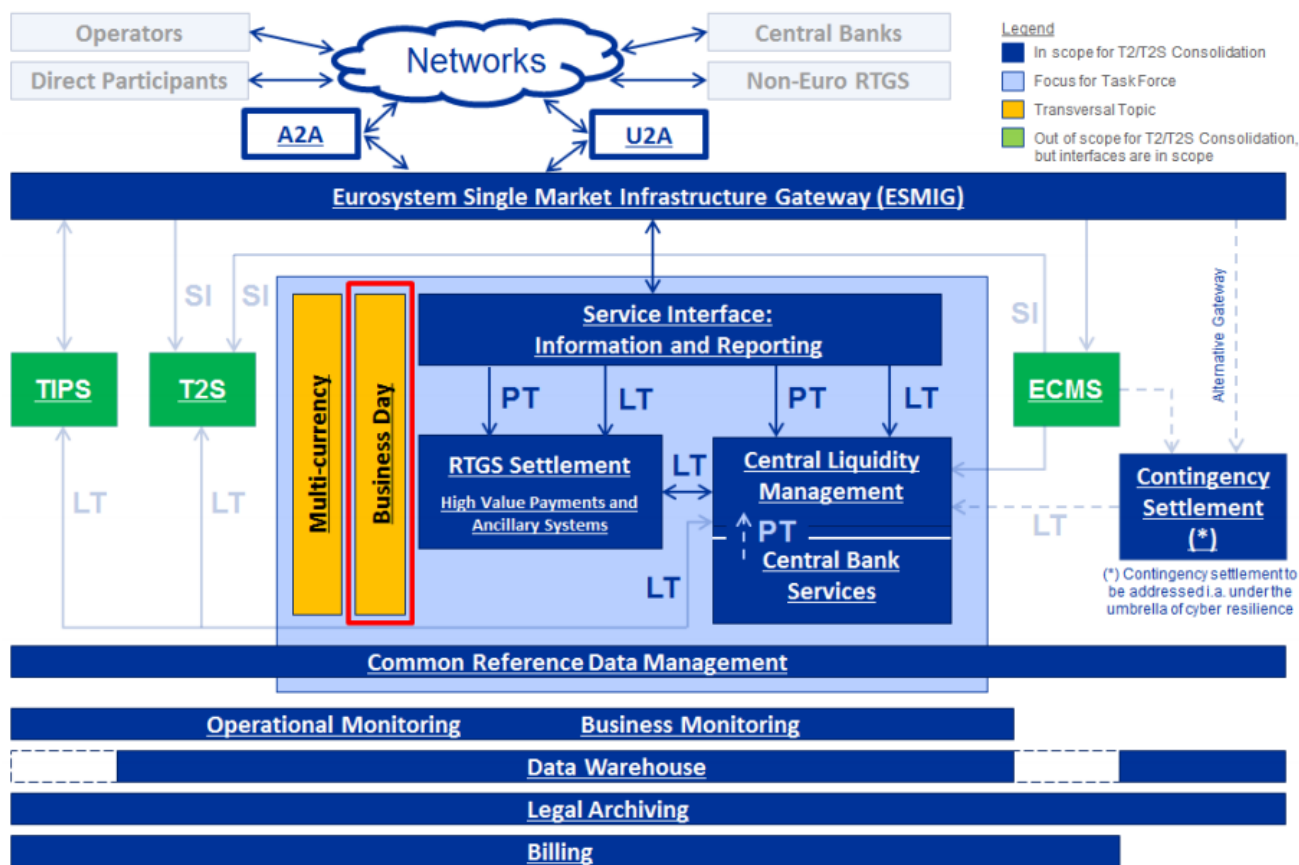
The Eurosystem has launched a project to consolidate TARGET2 and T2S, in terms of both technical and functional aspects.

Objective: to replace the existing TARGET2 infrastructure with a new real-time gross settlement (RTGS) system complemented by a new Central Liquidity Management (CLM) system that optimises liquidity management across all TARGET Services.



Introduction to Business Day Management

Business Day Management in the context of the TARGET Consolidation



Introduction to Business Day Management

Set up of the Business Day

- Operating Day Types as default sets of events for each Service or component are defined in CRDM
 - Specific planned execution times
 - Predecessor dependencies
 - Specific processes to be activated for each event.
- Operating Day Types are loaded from CRDM to BDM at Business Date Change
 - allows the automatic generation of the current business day schedule (Scheduler List) for each Service upon start of day.
- For each Service, the Calendar data includes the opening and closing days.
- This is also defined in CRDM. Closing days may also be currency specific.

Introduction to Business Day Management

Calendar

The Operator* administrates in CRDM the opening and closing days for each Service → *the Calendar*

- Services are open Monday to Friday every week.
- At start of Business Day (BD), the Service moves to the next Business Day according to the Calendar.
- At the end of a Friday Business Day, the Service moves to the next Business Day (usually following Monday)
- In case the next Business Day is a holiday then the Service moves to the following Business Day.

Introduction to Business Day Management

Calendar

DIAGRAM 4 - CALENDAR

Calendar Date	24/12/2019 (Tuesday)	25/12/2019 (Wednesday)	26/12/2019 (Thursday)	27/12/2019 (Friday)	28/12/2019 (Saturday)	29/12/2019 (Sunday)
Service Business Date	24/12/2019	27/12/2019	27/12/2019	27/12/2019	30/12/2019	30/12/2019
System-wide closing day		YES	YES			
Currency-specific closing day(s)				XYZ Closed		

RED boxes represent days on which the Service is not open for settlement.

Introduction to Business Day Management

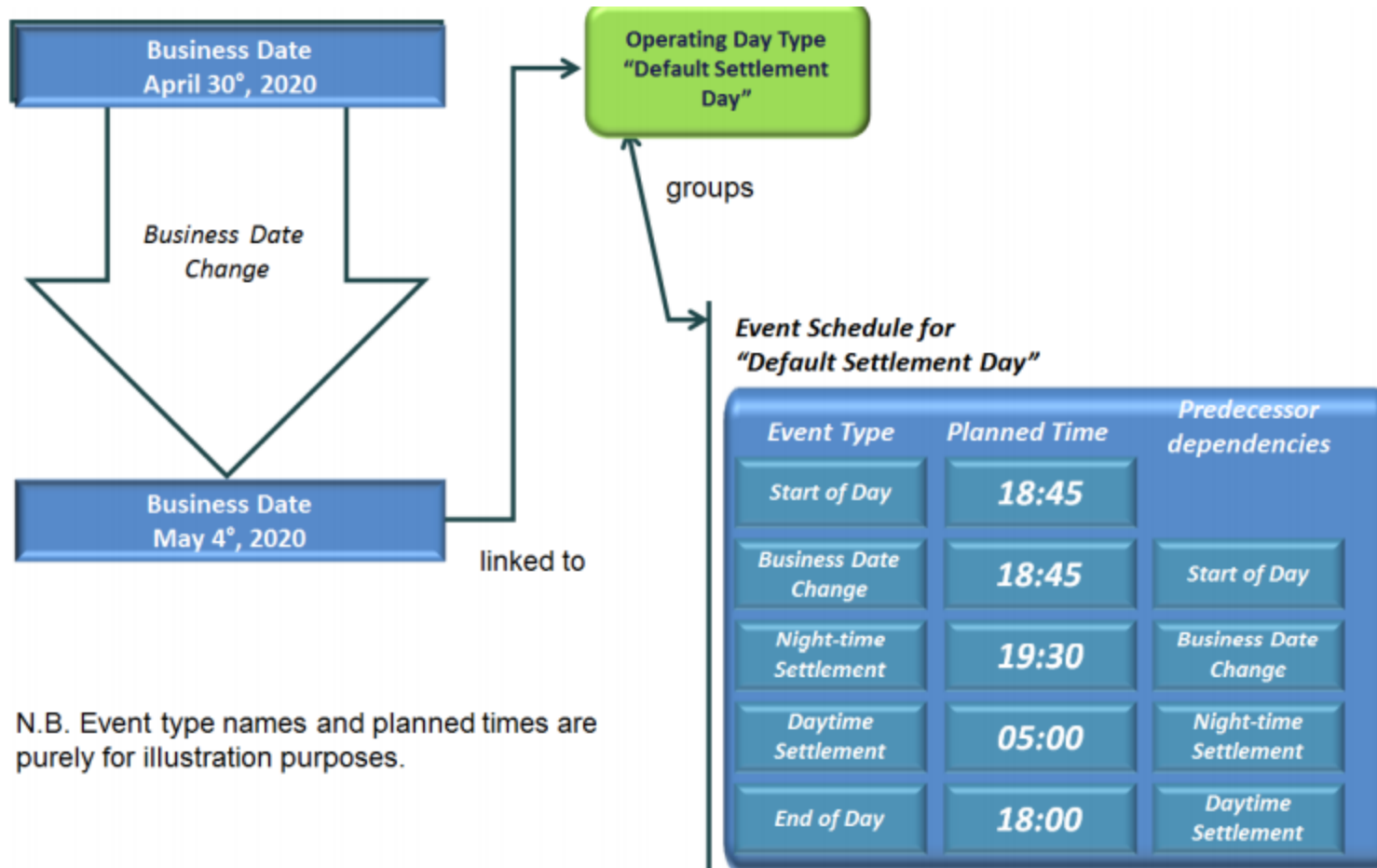
Business Day Plan

- The Business Day Plan is defined as a *series of events in a specific Service*
- Each event corresponds to a job process or cut-off which is triggered within the Service
 - occurring at a specific time
 - cannot start if the predecessor event is not yet finished
- The Operator defines the sets of *default event schedules* for each business date. These are automatically loaded in BDM and are identified as the *Scheduler List* for that Service
- The Operator can manually intervene on the Scheduler List at run-time
 - Inserting new events
 - Change scheduled time for one or more events
 - Closing of events

Scheduler of events can be followed in BDM in U2A as well as via ISO 20022 XML messages in A2A for specific events

Introduction to Business Day Management

Business Day Plan:



N.B. Event type names and planned times are purely for illustration purposes.

Introduction to Business Day Management

Access to BDM

BDM supports the connectivity of BDM Actors as follows:

- Via XML messages (A2A mode)

QUERY REQUEST MESSAGE	QUERY RESPONSE MESSAGE FOR ERROR	QUERY RESPONSE MESSAGE FOR BUSINESS DATA
GetBusinessDayInformation(camt.018)	ReturnBusinessDayInformation(camt.019)	ReturnBusinessDayInformation(camt.019)

- Via Graphical User Interface (GUI) – (U2A mode)

Introduction to Business Day Management

Access to BDM

Via XML messages (A2A mode)

GetBusinessDayInformation – camt.018

This message is sent to BDM to make the following type of queries:

Calendar Query



Enables a request of information about a specific calendar days for a specific service
e.g. calendar info for closure period for T2S

Diary Query

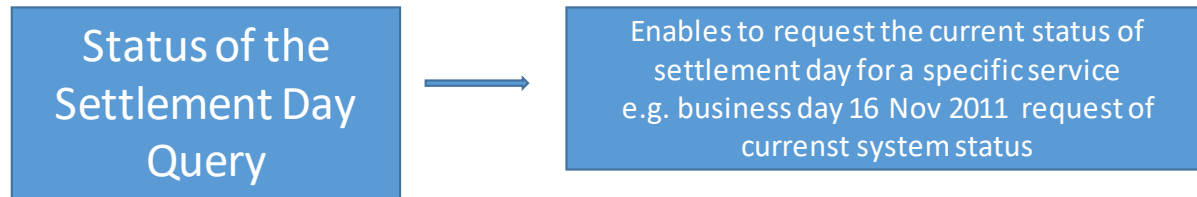


Enables to request information about events for a business day of a specific service
e.g. info about all the events for a specific business day for T2S

Introduction to Business Day Management

Access to BDM

Via XML messages (A2A mode)



ReturnBusinessDayInformation – camt.019

This message is sent by BDM to provide the requested information on:

Calendar, Diary and Status of the Settlement Day Response queries.

Introduction to Business Day Management

BDM - Via Graphical User Interface (GUI) – (U2A mode)

Business Day Management > Settlement Day > Settlement Day > Search

SETTLEMENT DAY LIST

Service Business Day

Service	Business Date	Open Currencies	Current Business Sta...	Operating Day Type	Operating Day Type ...
T2S	2021-10-19	SEK,EUR,DKK	RTMS	WORK	Working Day
T2 CLM COMPONENT	2021-10-18	EUR	SODP	WKMO	Release day Monday Schedule
T2 RTGS COMPONENT	2021-10-18	EUR	SODP	WKMO	Release Day Monday schedule

Service: T2 CLM COMPONENT

Event Type: All Currency: All

Date: 2021-10-18 Event Time: From: HH : MM To: HH : MM

Open Events: ☐

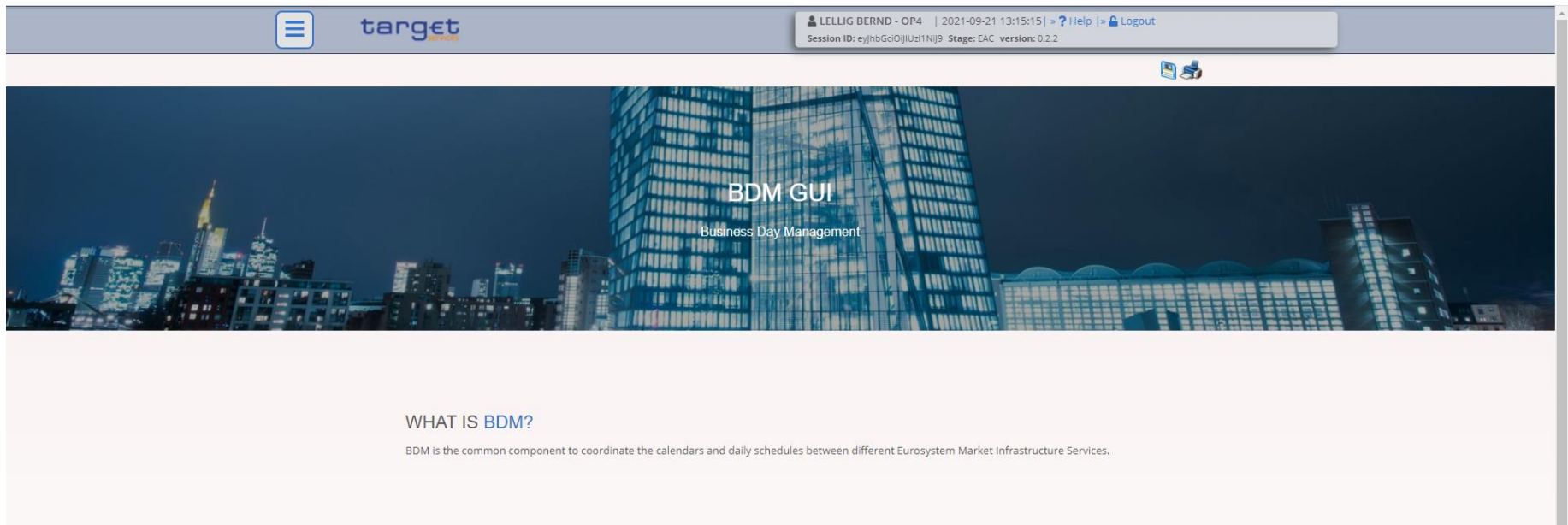
Search Reset Show Graph Add Event

Search Results

Service	Event Type	Currency	Planning Rule	Chain	Default Schedule Time	Updated Time	Event Start Time	Event End Time	
T2 CLM COMPONENT	CT01 - CT01 - BDM BD to CLM	XXX			2021-10-15 15:15	2021-10-15 15:15	2021-10-15 16:17	2021-10-15 16:18	
T2 CLM COMPONENT	CSOD - CSOD - change of business day	XXX			2021-10-15 15:15	2021-10-15 15:15	2021-10-15 16:18	2021-10-15 16:19	
T2 CLM COMPONENT	CRTI - CRTI - Start of CLM RTS	EUR	Currency-dependent "evening" events		2021-10-15 15:30	2021-10-15 15:30	2021-10-15 16:19	2021-10-15 16:21	
T2 CLM COMPONENT	CESO - CESO - Execution of standing orders in CLM	EUR	Currency-dependent "evening" events		2021-10-15 15:45	2021-10-15 15:45	2021-10-15 16:26	2021-10-15 16:28	

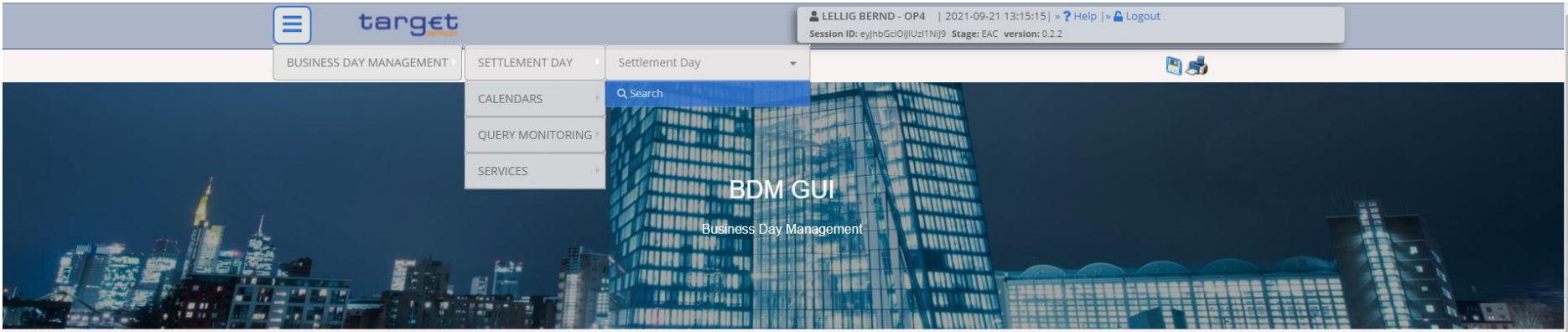
BDM - GUI

U2A-Access



BDM - GUI

Settlement Day



The screenshot displays the Target BDM GUI interface. At the top, a header bar contains the Target logo, a user profile for 'LELLIG BERND - OP4', and session information: '2021-09-21 13:15:15 | ? Help | Logout'. Below the header, a navigation menu is visible with options: BUSINESS DAY MANAGEMENT, SETTLEMENT DAY, CALENDARS, QUERY MONITORING, and SERVICES. The 'SETTLEMENT DAY' menu is expanded, showing a search bar and a list of options. The main content area features a large image of a city skyline at night with the text 'BDM GUI' and 'Business Day Management' overlaid.

WHAT IS **BDM**?

BDM is the common component to coordinate the calendars and daily schedules between different Eurosystem Market Infrastructure Services.

2. CLM – Central Liquidity Management

Business Day on CLM

The T2 calendar defines the working and closing days for CLM

Reminder: in addition to Saturdays and Sundays T2 closing days in EURO:

- ❖ New Years Day (1 January)
- ❖ Good Friday
- ❖ Easter Monday
- ❖ Labour Day (1 May)
- ❖ Christmas Day (25 December)
- ❖ Boxing Day (26 December)

Business Day on CLM

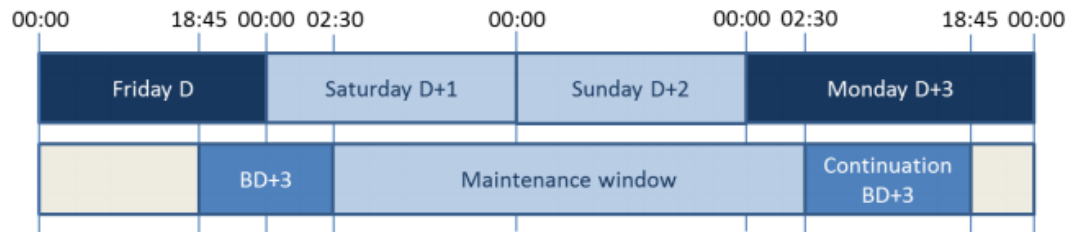
A business day is the timeframe where the processes in CLM are conducted.

It starts at 18:45 CET (on working day D) and lasts until the next working day day (D+1)



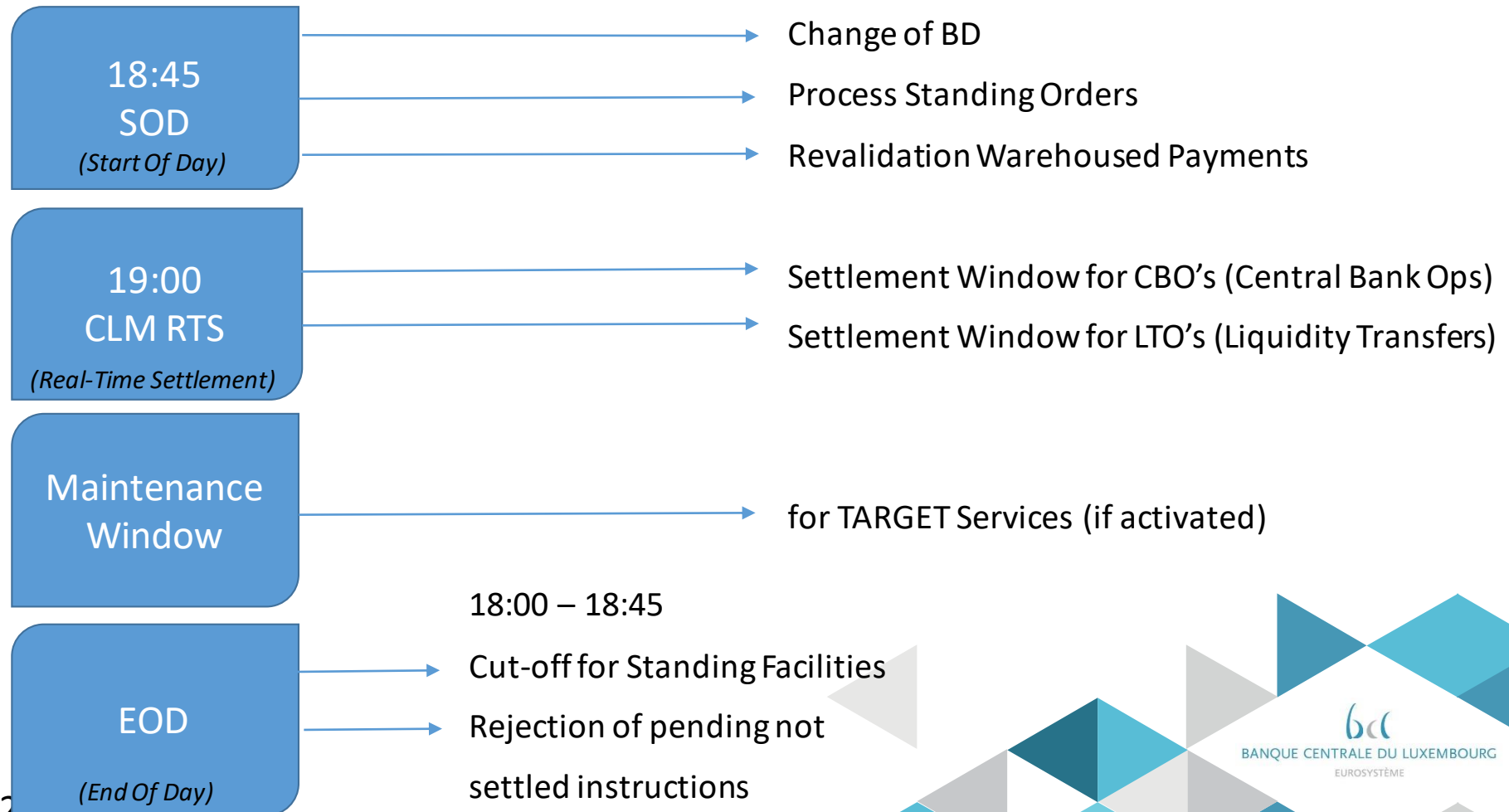
On the working day Friday, the business day is opened with the date of Monday (D+3)

Just on weekends CLM enters the maintenance window on Saturday until Monday morning.

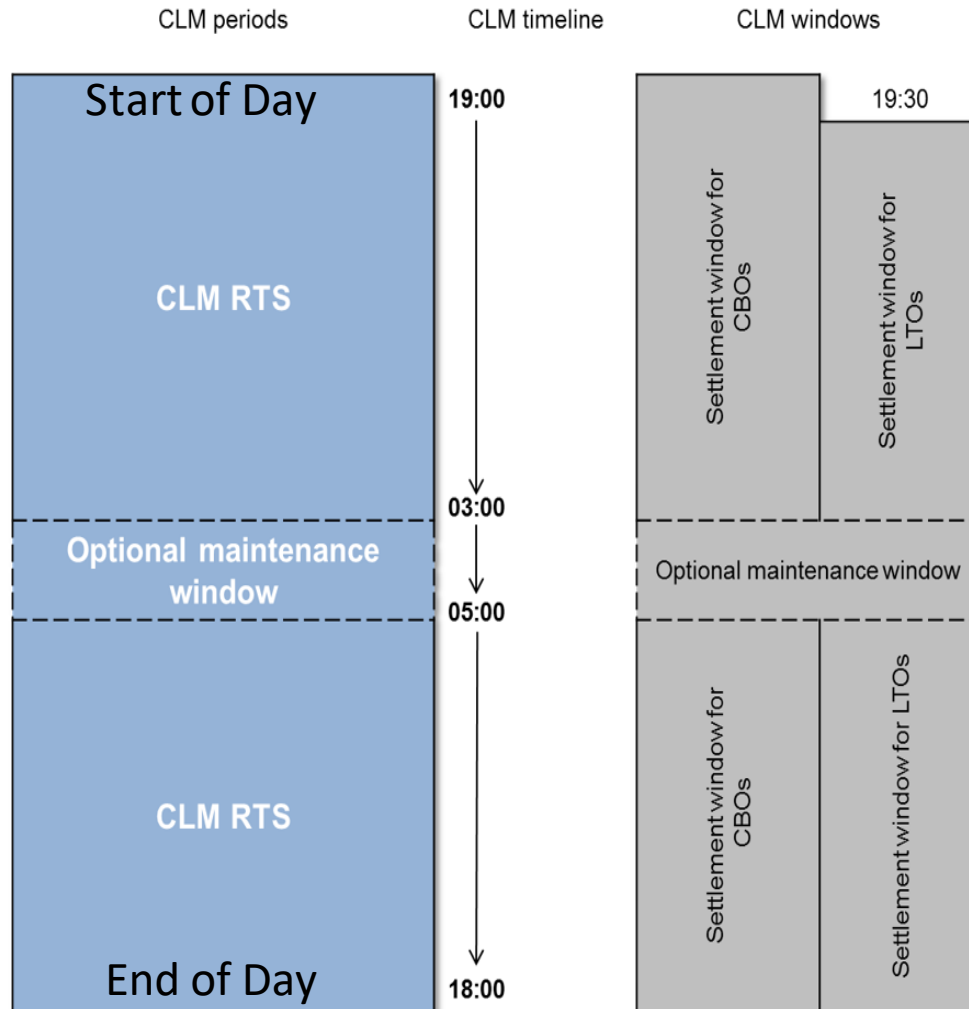


Business Day on CLM

CLM business day is organised in different periods including different processes:



Business Day Schedule in CLM



Description of CLM processes during RTS

Settlement Window for CBOs

- Reimbursement of marginal lending : CLM performs the reimbursement of marginal lending and the calculation and posting of interest
- Refunding of overnight deposit: CLM performs the refunding of overnight deposit amounts and the calculation and posting of interest
- Creating of automated liquidity transfers: CLM starts creating liquidity transfers to pull missing liquidity from linked RTGS DCAs in case of queued/pending CBOs
- Creating of rule-based liquidity transfers: CLM starts creating rule-based liquidity transfers in case of floor/ceiling breach

Description of CLM processes during RTS

Settlement Window for liquidity transfer orders (LTOs) (19:30)

The settlement window for LTs is opened earliest 30 minutes after the settlement window for CBOs starts. The planned time is 19:30 CET.

- Processing of (pre-defined) standing orders in CLM
- Processing of immediate LTs: CLM starts accepting and processing **immediate LT's** and **parked immediate LT's** which were entered after Start of CLM RTS i.e. after 19:00 (will only be processed at 19:30)

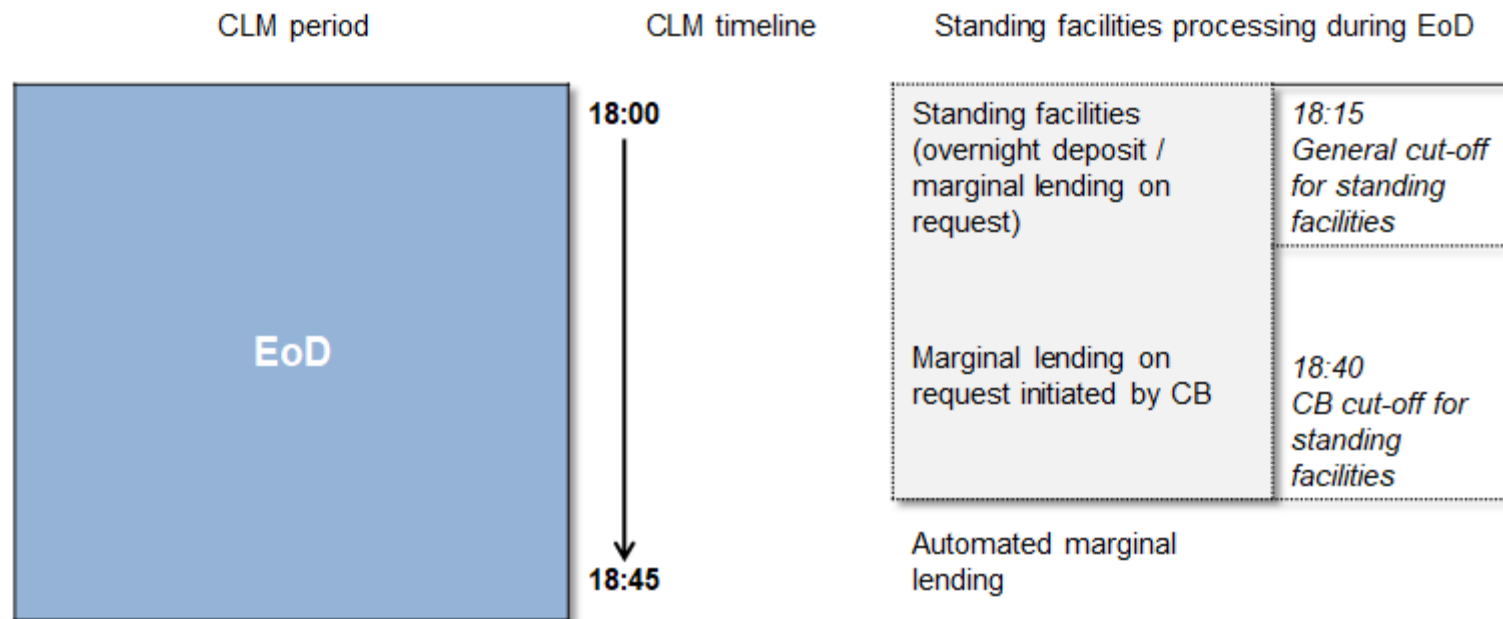
IMPORTANT REMARK

The cut-off for CLM RTS is planned for 18:00 CET

New liquidity transfer orders and payment orders by CLM Actors are not accepted after this cut-off and are rejected

- Rejection of not finally processed payment orders
- Rejection of not finally processed reservation modifications

End-of-day period (18:00 – 18:45)



End-of-day period (18:00 – 18:45)

Which processes are executed during EoD

- Collection of balances from other settlement services
- General cut-off for standing facilities
- Closure for incoming overnight deposit orders
- Closure for incoming marginal lending on request orders and update of credit lines
- Check of cash accounts to be closed as of next business day
- Calculation of aggregated EoD balances for automatic marginal lending
- Triggering of the automatic marginal lending
- Minimum Reserve calculation
- Interest calculation for accounts subject to interest
- EoD reporting



3. RTGS – Real Time Gross Settlement

Participation is optional for non RTGS participants

Business Day on RTGS

The T2 calendar defines the working and closing days for RTGS

Similar to the T2 calendar for CLM additionally to Saturdays and Sundays T2 closing days in EURO are:

- ❖ New Years Day (1 January)
- ❖ Good Friday
- ❖ Easter Monday
- ❖ Labour Day (1 May)
- ❖ Christmas Day (25 December)
- ❖ Boxing Day (26 December)

Business Day on RTGS

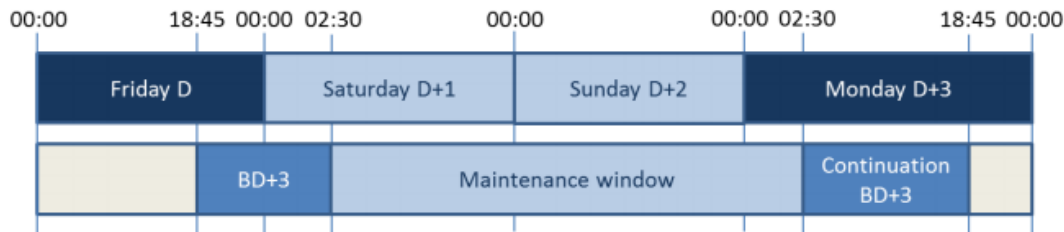
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It starts at 18:45 CET (on working day D) and lasts until the next working day day (D+1)

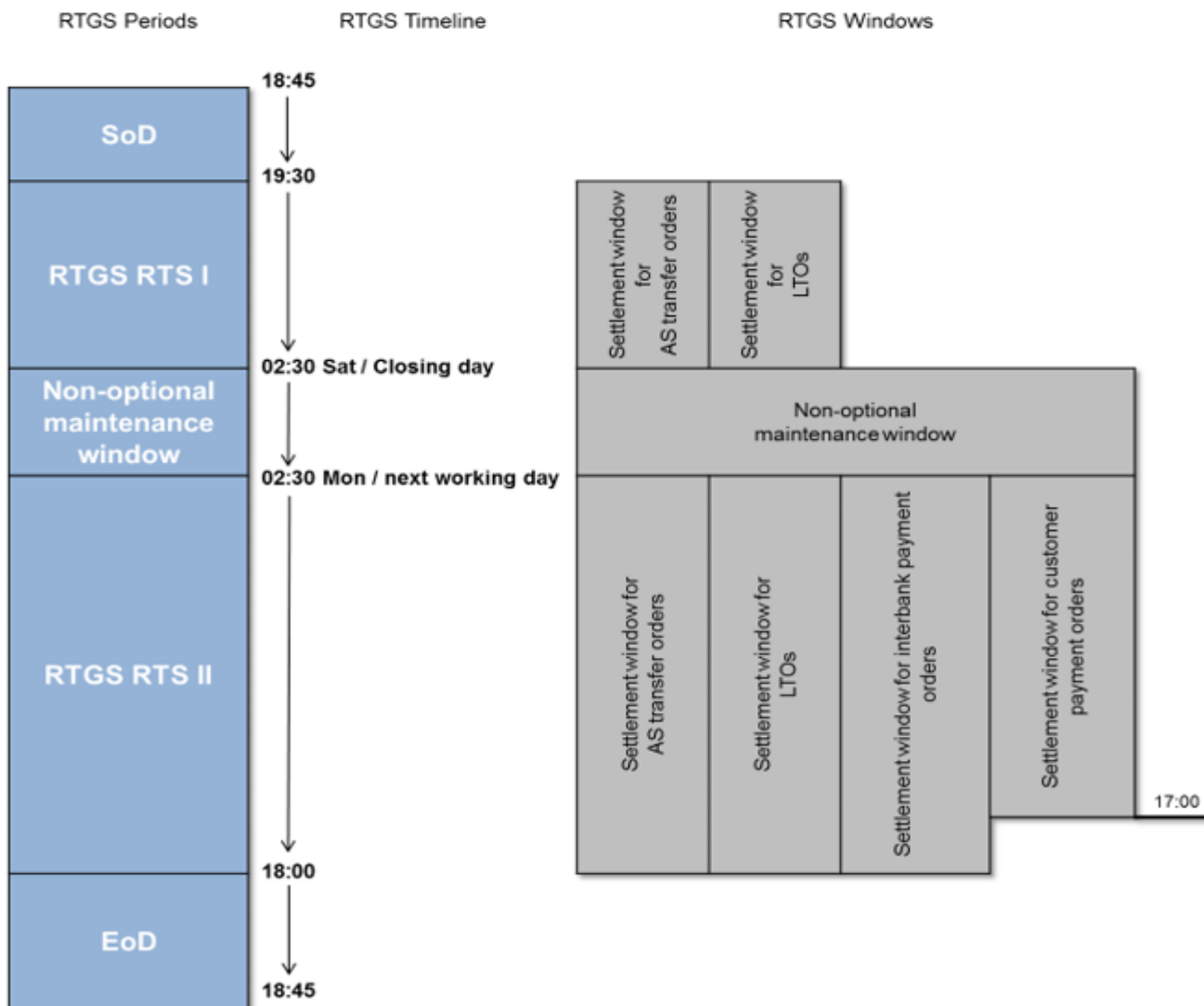


On the working day Friday, the business day is opened with the date of Monday (D+3)

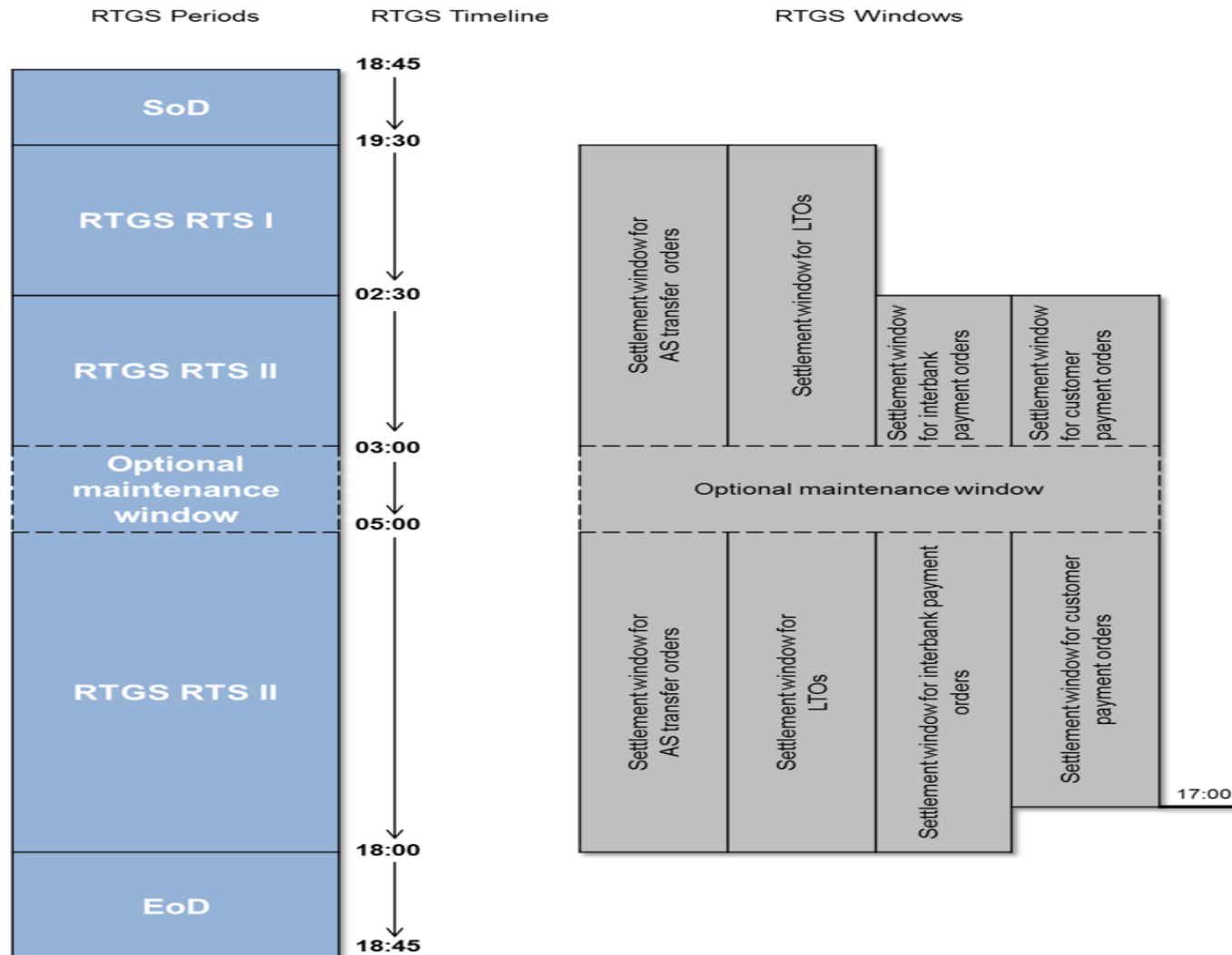
Just on weekends RTGS enters the maintenance window on Saturday until Monday morning.



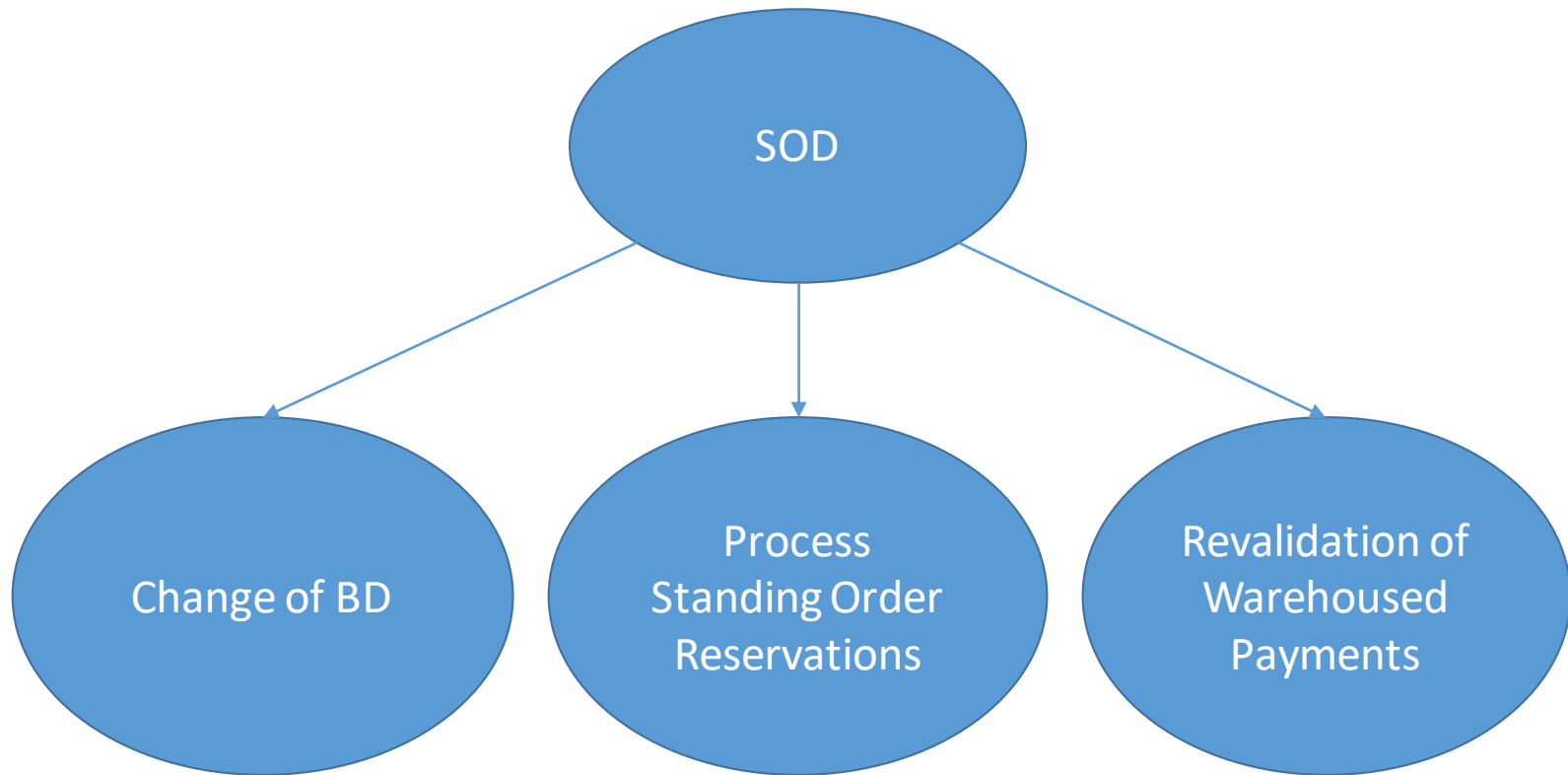
Business Day Schedule in RTGS



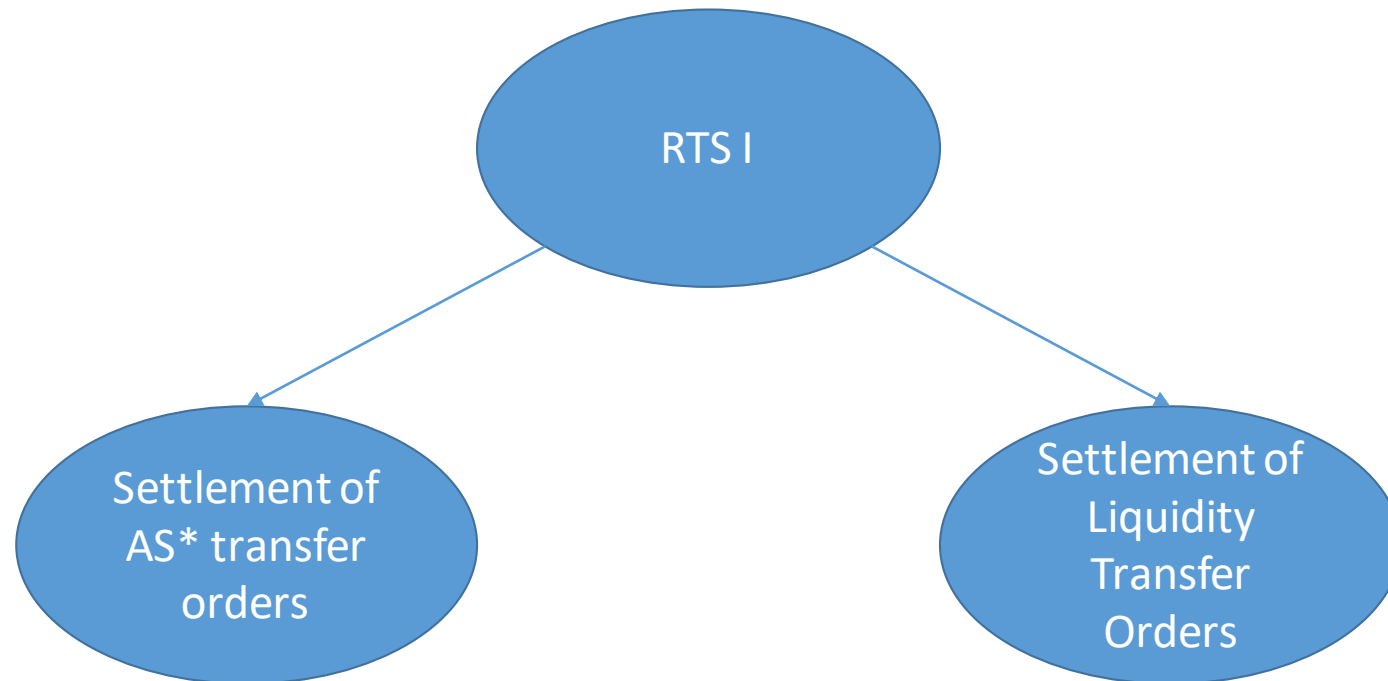
Business Day Schedule in RTGS



Start of Day (18:45 – 19:30)



RTGS RTS I (19:30 – 02:30)



RTGS RTS I (19:30 – 02:30)

Processing of AS Transfer Orders

Settlement of AS settlement
procedures A, B and E



Started by event
“Start of RTGS RTS I”

Settlement of AS settlement
procedures C and D



Started by event
“Execution of standing orders in RTGS”

RTGS RTS I (19:30 – 02:30)

Processing of Liquidity Transfer Orders

Execution of automated LT's orders from RTGS to CLM due to pending/queued CBO's

Parked automated LT's from CLM which have been sent by CLM before this event are now executed by RTGS

Execution of standing order LT's orders to RTGS in CLM

Processing of LT's to sub-accounts and technical accounts for AS settlement

Processing of rule-based LT's in case of floor or ceiling breach

Processing of immediate LT's

Maintenance Window

Optional Maintenance Window

From 03:00 – 05:00 : From Tuesday till Friday : optional in case of problem fixing or whatever maintenance has to be done by the operators

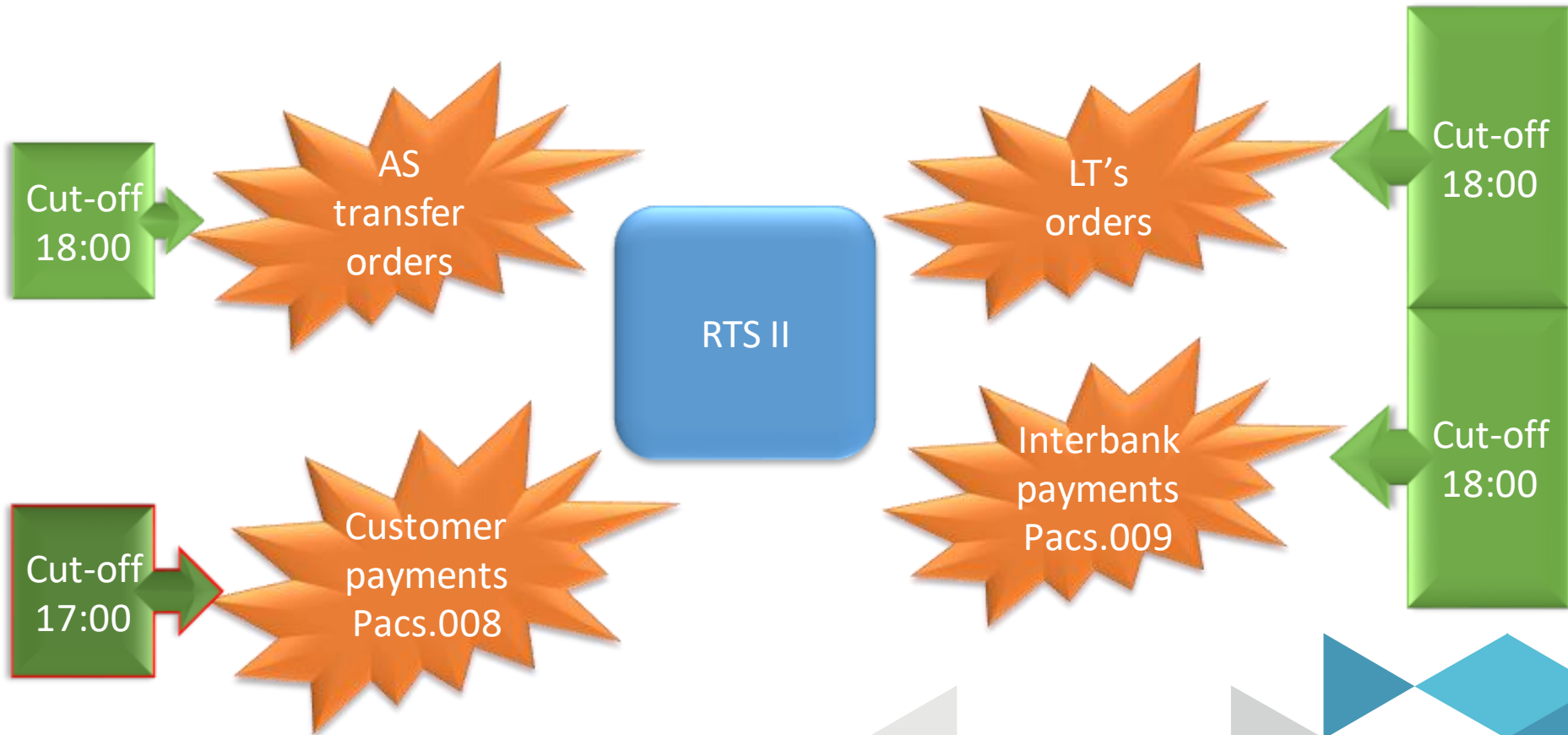
Non-optional Maintenance Period

Saturday 02:30 - Monday 02:30: after T2 closing days including every business day Monday

Access to the GUI is available during all periods except for the Maintenance Window.

RTGS RTS II (02:30 – 18:00)

Settlement Windows in RTS II



RTGS RTS II (02:30 – 18:00)

Cut-off for RTGS RTS II

IMPORTANT

Following processes are not accepted after cut off:

- New LTO's, AS transfer orders and payment orders
- New limit and reservation modifications

RTGS RTS II (02:30 – 18:00)

Events and processes after Cut-off for RTGS RTS II

Following processes are executed after cut-off:

- Last settlement attempt for LTO's, AS transfer orders and interbank payments
- Rejection of all LTO's, AS transfer orders and payments with non-final status
- Rejection of limit and reservation modifications with non-final status
- Limit and reservation modifications with non-final status
- Processing of standing order liquidity transfer orders after all other cash transfers are in final status.

End-of-day period (18:00 – 18:45)

Which processes are executed during EoD

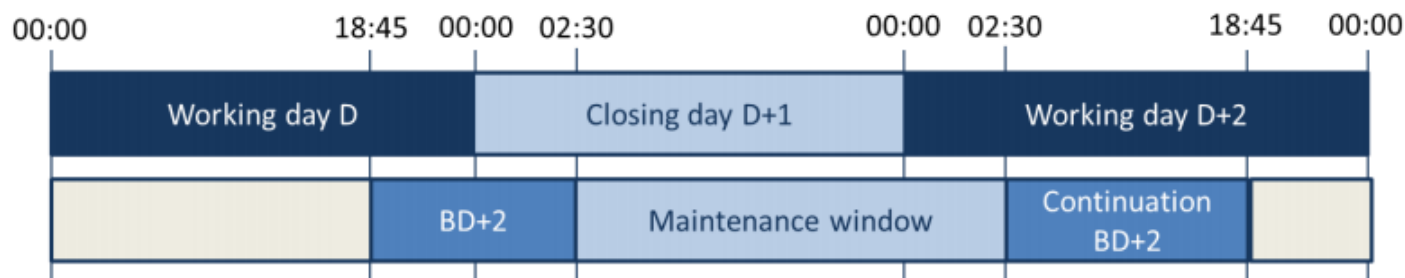
- Check of cash accounts to be closed as of next business day with balance and perform an emergency liquidity transfer from RTGS to the MCA in case of need
- EoD reporting
- Sending a general ledger for all cash accounts to CLM (upon request by CLM)

Closing Days on RTGS

Regular closing days during the week.

Similar to the weekend procedure:

- Following business day (D+2) starts at 18:45 CET (on working day D).
- On closing day (D+1) maintenance window from 02:30 CET to 02:30 CET on D+2



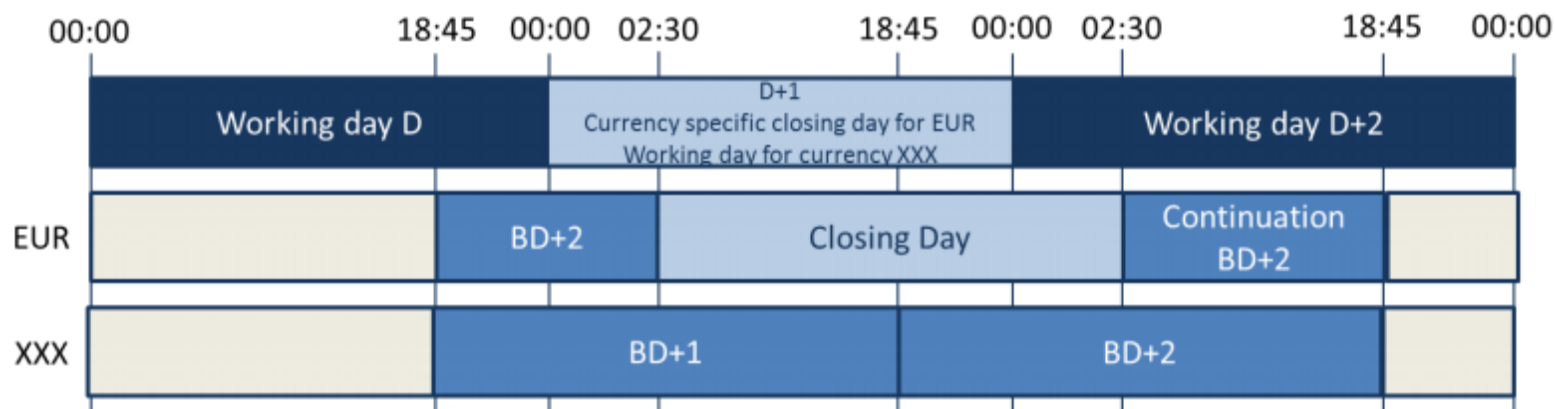
Closing Days on RTGS

Currency specific closing days.

During closing days for certain currencies the business day change continues as usual for other currencies.

I.e. on working day D:

- Following business day for affected currency (**D+2**) starts at 18:45 CET
- Following business day for other currencies (**D+1**) starts at 18:45 CET





THE END

THANK YOU FOR YOUR ATTENTION