



#### **Comparison between**

#### co-management and groups

#### in TARGET2 and T2

### **Presentation by 4CB**

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- This presentation gives an overview of the **co-management** and the **groups** currently used in TARGET2 and those offered for the future T2
- Groups in TARGET2
  - Group of Accounts: Aggregated Liquidity (Virtual Account)
  - Group of Accounts: Consolidated Account Information
  - Banking Group Monitoring
- Groups in T2
  - Liquidity Transfer Group
  - Account Monitoring Group
  - Banking Group
- Besides: information about the "Settlement Bank Account Group" in T2





#### **Co-management**



**Co-Management** 



#### Comparison of **co-management** between TARGET2 and T2

	TARGET2	Т2
Co-Management	- Available for HAM accounts only	- Available for CLM MCAs
	- Account-related implementation	- Account-related implementation
	- Co-manager must be a TARGET2	- Co-manager has most of the
	participant (PM account holder)	same privileges as for his own
	- Dedicated co-manager role has	MCA
	to be granted by the respective	- Co-management set-up by CB on
	СВ	account level
	- In general, the co-manager has	- It is not possible to grant
	the same rights as the HAM	different privileges to users for
	account holder (e. g. access to	co-managed MCAs and MCAs of
	account information, view on	his party in CLM
	balance, debit the account)	





# target



Functional comparison of the group **"Consolidated Account Information**" in TARGET2 with the **"Account Monitoring Group**" in T2

Groups

TARGET2			Т2		
Consolidated	-	Available to all participants	Account	-	May comprise MCAs and DCAs
Account		(PM acc. holder) from euro /	Monitoring		(RTGS, T2S, TIPS)
Information		non-euro area countries	Group	-	Accounts can be owned by
	-	Cross-CB possible			several parties
	-	Consolidated view on balances		-	Cross-CB possible
		and credit lines of the PM		-	Clustering of accounts to be
		accounts belonging to the			viewed collectively for liquidity
		group			monitoring purposes
				-	Setup by CLM account holder
				-	Leader is the CLM account
					holder opening the AMG





Functional comparison of the group "**Banking Group Monitoring**" in TARGET2 and the "**Banking Group**" in T2 (1/2)

TARGET2		Т2	
Banking Group Monitoring	<ul> <li>Only for CBs (e.g. for the reason of oversight and regulation)</li> <li>Accounts are grouped</li> <li>Cross-CB possible</li> </ul>	Banking Group	<ul> <li>Set up by CBs</li> <li>Parties (Payment banks) are grouped for liquidity monitoring purposes</li> <li>Cross-CB possible</li> </ul>





## For the group "Aggregated Liquidity (Virtual Account)" in TARGET2 there will be nothing similar in T2

Groups

TARGET2		Т2
Aggregated	Comparable to "consolidated	Not
Liquidity	account information" with some	applicable
(Virtual	differences:	
Account)	- Only available to participants	
	from euro area countries	
	- Automated processing of	
	payments based on the global	
	liquidity available in the group	
	(VA: sum of available liquidity	
	of all group accounts) – even	
	in case there is not enough	
	liquidity on a single account	





## For the group "Liquidity Transfer Group" in T2 there is nothing similar in TARGET2

TARGET2	Т2	
Not applicable	Liquidity Transfer Group	<ul> <li>Grouping of cash accounts that belong to the same settlement service (CLM or RTGS)</li> <li>Allows arranging of liquidity transfers between them</li> <li>Setup by CB</li> <li>Include either MCAs or RTGS DCAs (depending on the service) which may be owned by different parties, which may be associated with more than one CB</li> </ul>





- The "Settlement Bank Account Group"
  - contains the list of accounts used for ancillary system settlement

- does not allow to view balances of accounts by using this group





### Thank you