

## **Comments of the credit institutions<sup>1</sup> of the STUZZA P20 working group on the ECB's "Public Consultation on TARGET 2: Principles and Structure"**

### **Preliminary remarks**

The position of Austrian credit institutions is largely in line with that formulated in the official response of the TARGET Working GROUP on behalf of the EPC. The present comments aim to underline those points which are of particular importance to the Austrian credit institutions.

In principle, a single shared platform is welcomed. However, in several areas a number of disadvantages can be identified in the platform as now envisaged, as compared with the system currently used by the Oesterreichische Nationalbank (OeNB).

### **Single Account**

The envisaged solution requires a dual account: an account within the framework of the RTGS of the shared platform provider and a "home account" for the remaining transactions with the OeNB. This will make liquidity management significantly more difficult. From a technical/organisational point of view the shared platform would have to be designed in such a way that only one account with one central bank need be available or that automatic consolidation take place in real time.

### **Domestic versus European**

For domestic and intra-European transactions there should be one and the same interface in terms of the technical/organisational connection, and the same window in terms of the visibility of the overall situation. Any differentiation would be counter-productive. There should be no differentiation in pricing either.

### **Interface**

The call for a single interface has already been registered (see above). From a technical point of view the Austrian banks are calling for the implementation of a pure SWIFT standard. In Austria credit institutions have already switched from a national solution involving SWIFT-style interfaces in the 1990s to a pure SWIFT interface. From a financial point of view, another migration in the near future would be unjustifiable. Furthermore the shared platform interface should remain stable for a sufficient, pre-defined period and not be subject to further changes within a few years' time.

### **TARGET ==> TARGET 2 conversion**

The envisaged period appears too long from a technical/organisational point of view. The conversion should on no account result in the banks having to maintain several systems in parallel. Detailed advance planning in consultation with system users is essential.

### **Reliability/contingency**

An SSP should be designed in such a way as to ensure 100% availability, with no identifiable delays even in peak load times.

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<sup>1</sup> STUZZA is owned by the following credit institutions (in addition to the Oesterreichische Nationalbank): Bank Austria Creditanstalt; Bawag/PSK, ERSTE, RaiffeisenZentralBank, Oesterreichische Volksbanken AG, HypoHolding, Schoellerbank.

Together these represent more than 90% of the volumes of Austrian credit institutions' payment transactions.

There should be contingency management, agreed with the governance, for partial system failures – which can never be ruled out in practice – such that smaller users are not disadvantaged.

### **Functionality**

The Austrian credit institutions currently use the liquidity management functions available in the RTGS system of the OeNB. A switch to a system which does not offer such functions (e.g. incoming queue visibility) would be a step backward and hamper operations.

The system should likewise have a direct debit facility, as the functional basis for a number of existing operations – e.g. automatic EBA settlement, securities transactions, debit card clearing – would be lost.