



ECB DG-MIP T2-T2S Consolidation

Pacs.010 direct debit initiation via U2A

TARGET Consolidation Contact Group 12th Meeting on 16 October 2019

Introduction



- The purpose of this presentation is to present to TCCG members the recommended way forward on the use of pacs.010 DirectDebit (equivalent to MT204 Financial Markets Direct Debit Message) in U2A mode in RTGS.
- As specified in the RTGS UDFS, table 27, it is not foreseen to offer the initiation of pacs.010 via U2A in RTGS. Accordingly, pacs.010 initiated via U2A in RTGS, was neither discussed with, nor requested by, the participants of the CLM and RTGS GUI workshops.
- The ECB recommendation not to offer pacs.010 via U2A in RTGS is based on the following assumptions:
 - DirectDebits are not offered via U2A in today's TARGET2.
 - As DirectDebits are assessed to be a reoccurring event of significant scale, the use case for providing this service U2A in RTGS is seen as limited.

Pacs.010 in CLM



- During the 9th TSWG meeting, the TSWG members confirmed the decision not to offer pacs.010 DirectDebits initiated U2A in CLM. This was based on three assumptions:
 - DirectDebits are not offered via U2A in today's TARGET2.
 - As DirectDebits are assessed to be a reoccurring event of significant scale, the use case for central banks providing this service U2A in CLM is seen as limited.
 - In a contingency situation, a Central banks will have the possibility to 'work on behalf' if the A2A connection of a participant is down, thereby sending a pacs.009 to credit the CB account.

Way forward



 TCCG members are invited to provide feedback on the recommended way forward on the use of pacs.010 DirectDebit (MT204 Financial Markets Direct Debit Message) via U2A in RTGS.





Thank you for the attention!

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