PREPARATION TO THE GO LIVE

FOR NEW CONNECTING PARTICIPANTS

Version 1.1 / 30 June 2008

DGP/TGT/2008/113

Foreword

In banking communities already connected to TARGET2, new participants will be allowed to connect to the Single Shared Platform every month, more specifically on Mondays after the activation of the SWIFT BIC Directory[1]. Still exception may be granted by the respective Central Banks if duly justified.

The present document provides an overview of the various actions that shall be carried out by the connecting participants on the production environment on the weeks preceding its connection. It does not touch upon the certification activities which participants would have to complete beforehand on the test & training environment. For further information on the test requirements for new participants, please refer to the Guide for TARGET2 User Testing section 2.

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[1] Please refer to www.swift.com for the timetable.

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PREPARATION TO THE GO LIVE TO TARGET2
FOR NEW CONNECTING PARTICIPANTS

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1. Registration of the participant

The connecting participant is responsible for completing its own SWIFT e-ordering request and SSP registration forms for the production environment. Moreover the participant will be asked to check its static data via the ICM, to create standing orders (optional) and to load the TARGET2 directory.

Beside the activities to be performed for the connection from a technical/operational viewpoint, the participant will have to carry out some activities of administrative/contractual nature. These activities are not covered in this section. The participant has to contact its National Central Bank for further information.

The section below provides the timing by which such actions have to be carried out during the weeks preceding the connection itself.

1.1. SWIFT registration / e-ordering

The e-ordering is using the SWIFT e-MSSF forms as available online at www.swift.com. After completion of the request by the connecting participant, its Central Bank will have to validate it before it is submitted to the SSP-OT for final approval. Ideally, the e-ordering should be submitted to the Central Bank at the same time as the SSP registration forms for coherence check (cf. 1.4).

The picture below shows the process flow involving the participant, SWIFT, the responsible Central Bank and the SSP Service Desk:
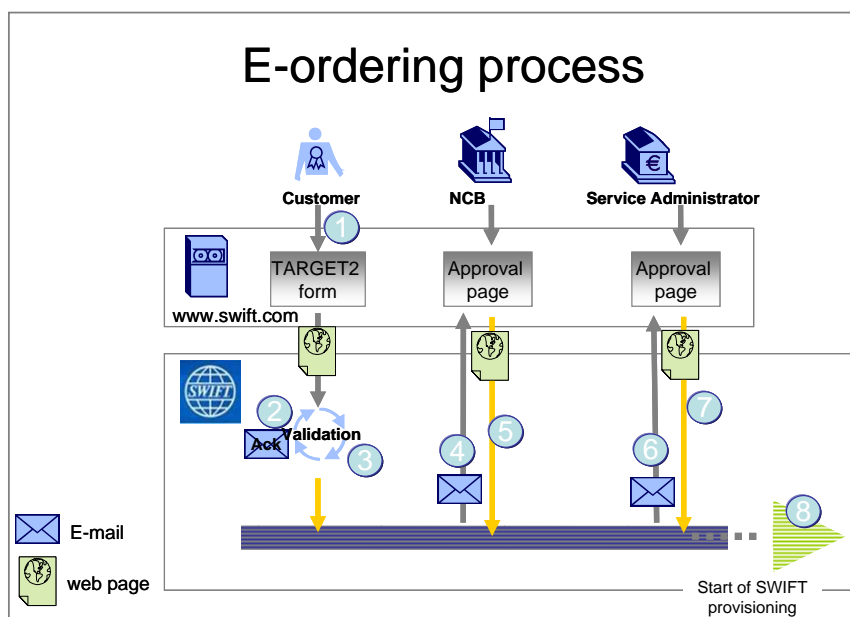
E-ordering process flow

The table below provides an indication of the date by which Central Banks should validate it as well as the activation date to be used. The Activation date can not be guarantied if the approval is made after the date indicated as "End date for CB approval".

	End date for CB approval	With an Implementation date…
E-ordering	7 weeks before the connection	4 weeks before the connection

1.2. Exchange of BKE/RMA

BKE/RMA must be exchanged with the SSP as central institution. According to the participants' profile, this exchange may be needed for CUG PM (TGT) with TRGTXEPM, for CUG HAM (TGH) with TRGTXEHM and/or CUG CB (TGC) with TRGTXECB.

The table below provides an indication of the date by which participants should initiate it as well as the activation date to be used.

	Starts…	Ends…	With activation date on…
BKE/RMA exchange	4 weeks before the connection	3 weeks before the connection	2 weeks before the connection

1.3. SSP registration / SSP forms

The SSP registration is using the SSP registration Forms for the collection of participants' static data. For assisting the participant in the completion of these forms, a specific User Guide was developed. Both the SSP forms and the User Guide are available on the TARGET2 website of the respective Central Banks.

After static data are keyed in by its Central Bank, the connecting participant is in the position to access its data via the ICM, even if it is in "future mode". The participant is invited to check the correctness of its static data in the ICM as early as possible. If need be, corrections can be brought until the Friday before the connection. It should be noted that modifications entered after Wednesday cob will not be reflected to the TARGET2 directory for the connection date (provided it is a Monday)

The table below shows the earliest point by which the Central Banks can start to key in static data for the connecting participant, the latest point by which the static data should be entered, the latest point by which corrections can be brought for TARGET2 directory as well as the activation date to be used for the participant's account(s). After the completion of this step, the direct PM participant can access the ICM, download the TARGET2 directory via FileAct (cf. 2) or define standing orders limit/reservation/liquidity transfer (cf 2.2). As indicated earlier, it is preferable that the participant has already submitted its SSP forms by the time it submits the e-ordering to its Central Bank for coherence check.

	Start of capturing	End of capturing	Deadline for corrections	Activation date
Participant's Static Data	6-4 weeks before connection	4-2 weeks before connection	Wednesday before connection	Connection date

1.4. Coherence checks between e-ordering and SSP-forms

Although these are two completely separated processes, the information provided via the SWIFT e-ordering and via the SSP forms have to be consistent. The connecting participant will have to carry out a set of consistency checks between e-ordering its SSP forms before submitting the e-ordering to its Central Bank. Those checks will concern the CUGs and the DNs.

- **CUG REGISTRATION** (Closed User Groups)

  The CUGs requested via the e-ordering shall be coherent with the type of participation requested via the SSP forms. Participants may register[2] to 3 CUGs: TGT (PM) TGH (HAM) and TGC (CB customers):
    - Direct PM participant should be registered in the CUG TGT.
    - HAM participants should be registered in the CUG TGH.
    - Co-managers participants should be registered in TGT <u>and</u> TGH (FIN users). If a co-manager is only using the ICM and is not using FIN, the registration in TGH is not mandatory.
    - Central Banks' customers should be registered in TGC.
    - Ancillary Systems only using the ASI do not need to be registered in any of these CUGs.

- **DISTINGUISHED NAMES (DNs)**

  The DNs indicated in the e-ordering shall be coherent with the DNs in the SSP forms.

  Direct Participants can indicate two types of DNs in the SSP forms:

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[2] The registration in a CUG at SWIFT is based on the BIC8 while the SSP registration considers the BIC11.

- DN address where the TARGET2 directory updates sent by the SSP in push mode will be posted. The connecting Central Bank will have to check that this DN is consistent with the DN structure requested in the e-ordering for FileAct SnF traffic (Store and Forward) for the TARGET2 directory in push mode.
- DN to access the ICM. This DN has to comply with the structure of the DN for the PAPSS real time services in the e-ordering.

Ancillary Systems have to indicate at least one DN in the SSP forms:

- DN for receiving files from the ASI. This DN must be consistent with the DN structure requested in the e-ordering for the Store-and-Forward traffic.

2. Verification and set-up of the connection

2.1. Loading of the TARGET2 directory

The "full" TARGET2 directory is available to direct participants from the moment they are registered in the SSP, even in "future mode". The only feature to which they do not have access until they are active is the delta version in push mode (but they can still get it in pull mode).

TARGET2 directory is updated weekly. Modifications are distributed in push mode for all active users who did opt for it and the "full" version is available in pull mode on each Friday with activation date next Monday (the activation date of the TARGET2 directory is always a Monday, be it a TARGET working day or not).

Connecting participants will be visible in the forthcoming TARGET2 directory as soon as their static data is entered in the SSP. They will have a "valid from" date equal to the connection date.

2.2. Creation of standing orders

From the moment it is registered in the static data (even in "future mode"), the connecting participant has the possibility to create standing orders:

- As regards standing order limits (bilateral/multilateral) and standing order reservations (highly urgent/urgent), the participant has the possibility to define them at any time between the moment they are defined in the static data and the close of the last business day before the go-live date. Any standing order entered afterwards would not be taken on board for the go-live day.

- As regards standing order liquidity transfers between RTGS account / sub-accounts, mirror accounts or between HAM account / RTGS account, it can be defined until the close of the last business day before the go-live. Any standing order entered afterwards would not be taken on board for the go-live day.

- As regards standing order liquidity transfer between PHA account / RTGS account, the date from which orders can be defined depend on the local set up of the PHA. When relevant, the Central Bank should indicate when the standing orders can be defined. In any case, it cannot be prior to the activation of the CB itself.

- As regards the reservation of funds for cash withdrawal on HAM accounts, it can only be made during the preparation of the day trade phase on the go-live day, which means between 06:45 and 07:00.

2.3. Early connectivity tests for participants

In view of preventing any connectivity problem, connecting participants will be requested to carry out some specific actions in production environment before its connection. They can take place at any moment between the day the participant is defined in the SSP static data and the day of the connection. Connecting participants are strongly encouraged to carry out these tests. They should bring the necessary reassurance that the SWIFT deployment was made appropriately:

- Sending of a "TARGET2" MT202 payment with sender = receiver = BIC of the participant[3].
- Download of the TARGET2 directory.
- Sending of a live XML message (e.g. "GetSystemTime" for A-to-A users).

2.4. Early connectivity tests for Ancillary Systems

In view of preventing any connectivity problem with the Ancillary System Interface (ASI – Store-and-Forward mode), connecting Ancillary Systems using the ASI will be requested to carry out some specific actions in production environment before the go live day. They can take place at any moment between the day Ancillary Systems are defined in the SSP static data and the go live day. Connecting ancillary systems are strongly encouraged to carry out these tests. They should bring the necessary reassurance that the SWIFT deployment was made appropriately:

- Sending of an "ASTransferInitiation" message[4] (possibly with FirstAgent = FinalAgent).
- Download of the list of settlement banks "GetASSettBank" (optional)

2.5. Update of the TGT/TG+ service code

Contrary to what it used to be for the TARGET1 service does, participants do not have to register for the TARGET2 service codes (neither at SWIFT nor at their Central Bank). Updates are made automatically in the SWIFT BIC Directories on the basis of information available in the TARGET2

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[3] The SSP will automatically reject the payment as the account is not yet activated.

[4] The SSP will automatically reject the payment instruction as the settlement banks' accounts are not yet activated.

Directory[5]. The rules for assigning TGT/TG+ service codes will be based on the type of participation as shown in the TARGET2 Directory:

▫ Participation types 01 (Direct participant), 03 (Multi addressee-Credit institutions) and 04 (Multi addressee–Branch of Direct participant) will receive the service code TGT.

▫ Participation types 02 (Indirect participant), 05 (Addressable BIC-Correspondent bank), 06 (Addressable BIC-Branch of Direct participant) and 07 (Addressable BIC-Branch of Indirect participant) will receive the service code TG+.

The monthly release of BIC and BICPlusIBAN Directories of SWIFT become active on the first Saturday of each month. As part of this regular update, SWIFT will use the TARGET2 Directory available on the 2nd Friday of the previous month for updating the TGT/TG+ service codes. Static data entered after this deadline will not be taken into account for the forthcoming update of the SWIFT BICplusIBAN directory.

NB1: For participants connecting on the Monday immediately following the activation of SWIFT Directories, static data input should ideally be completed before the 2nd Wednesday of the month preceeding the changeover. This will avoid having discrepancies between the SWIFT directories and the TARGET2 directory after the changeover.

NB2: In case the connection is not taking place on the Monday immediately following the activation of the SWIFT Directories, discrepancies will exist between these directories and the TARGET2 directory. In practice the new participants will be active in the TARGET2 Directory after the changeover but wil not yet have the service code TGT/TG+ in the SWIFT Directories. This situation will only last until the beginning of the following month, when a new release of the SWIFT Directories takes place. To limit the effect of this discrepancy, the connecting participant may issue new Standard Settlement Instructions (SSI).

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[5] BICs, which are not published in the TARGET2 directory, are not affected by this update and will never receive TGT / TG+ codes.

3. Contingency arrangements

In case the connecting participant is facing technical problem on the day of its connection, it is expected to make use of the contingency tools and procedures defined for TARGET2 (e.g. back-up payments, Central Bank acting on behalf).

4. General Timeline for connecting participants

The important steps to be carried out by connecting participant to be connected to the Single Shared Platform are shown all together in the picture below:
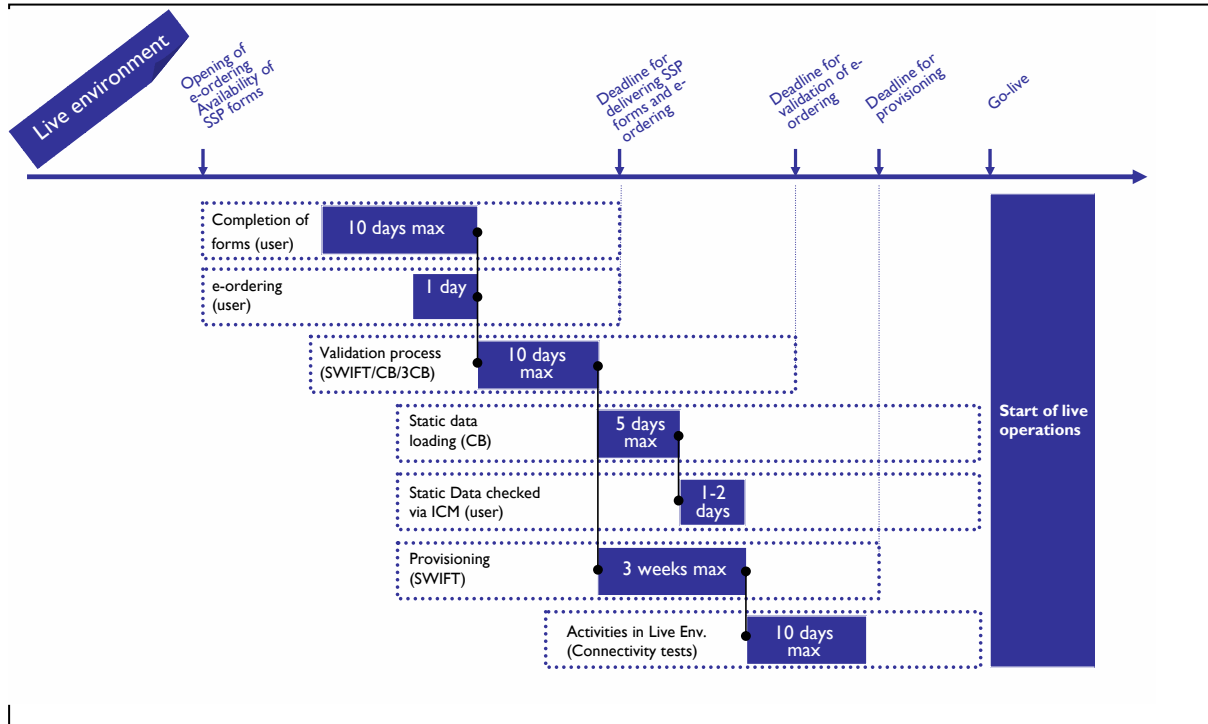
Picture 2 - TARGET2 Connection Timeline

Annexes