Newsletter TARGET-NL Services #4

March 2025

Introduction

Dear TARGET-NL participant,

Welcome to the fourth issue of the TARGET-NL Services Newsletter! As we kick off 2025, we are keen to share some important updates and developments regarding TARGET Services. We would love for you to join us at our TARGET-NL Community Meet-Up in April—it is a great chance to connect, share experiences, and discuss important topics. Our goal is to keep the communication lines open and provide you with valuable information through these regular newsletters.

Best regards,
National Service Desk TARGET-NL

In this edition

Introduction 1
News & updates 1
Changes & releases 3
Recent and upcoming publications 3
Contact information 3

News & updates

February T2S & T2 incident: how did it affect the TARGET-NL Community?
On 27 February 2025, a hardware failure disrupted T2S and T2 services, affecting all TARGET participants, including DNB itself. During the incident, interbank wholesale payments and settlement of securities via TARGET were not possible. An official communication regarding the incident was issued on February 28 at 5:10 PM. The incident will be discussed in more detail at the next T2 Contact Group meeting on 26 June. Presentation slides will be made available around that date here. During the incident, the National Service Desk TARGET-NL (NSD) was prepared to assist affected TARGET-NL participants and oversee critical payments during the incident. Now that most of the dust has settled, we would like to gather your feedback regarding your experiences during the event. Therefore, this topic will be discussed at the forthcoming TARGET-NL Community Meet-Up, where we will also outline the TARGET Services' contingency measures. Additionally, the NSD will reach out to you concerning specific testing dates for ECONS II regular testing, Act on Behalf testing, and Back-up Facility testing, as applicable to your organization.

Instant Payment Regulation: are you ready before 9 October 2025?
In accordance with the Instant Payment Regulation, all required Dutch banks have been able to receive instant payments in TIPS since January 9th. Starting from October 9th, it will be mandatory for all TARGET-NL participants active in TIPS to also send instant payment messages and conduct the IBAN name check (Verification of Payee).

To facilitate and support the TARGET-NL community in preparing for sending direct payments, we are happy to provide detailed guidelines on the procedures. You can contact us directly, and we will be happy to organize a digital information session if desired. Please let us know whether your bank still needs to provide the testcases for sending instant payments and whether you are interested in such a session.

DeNederlandscheBank
EUROSYSTEEM

target services

In order to comply with the IBAN name check requirement of the regulation, the Eurosystem will offer a Verification of Payee (VoP) service for payment service providers (PSPs) building on the services developed by the Banco de Portugal and Latvijas Banka. For more information on the VoP solutions offered by the two Eurosystem central banks, please visit the websites of the Banco de Portugal and Latvijas Banka, or contact the ECB via email.

Consultative report on the extension of the T2 operating hours

On 30 April 2025, the Eurosystem will initiate a market consultation regarding the extension of T2 operating hours. This will involve engaging with broader payment industry market participants to develop potential roadmaps towards a 24/7 operational model. Such a shift would affect all ecosystem actors, including TARGET participants, their clients, central banks, and other Financial Market Infrastructures connected to the system. Hence, a comprehensive consultation is essential to gather insights on the benefits, risks, costs, and challenges associated with this potential extension. Despite the operating hours of T2 being extended to 22.5 hours on weekdays in 2023, the increasing significance of liquidity facilitated through TIPS supports the consideration of further extending the system's operating hours. The consultation responses should include answers to specific questions as well as any general feedback relevant to the extension of T2 operating hours.

ISO 20022 Message Unfreeze Strategy

In December 2024, the T2 community requested modifications to the ISO 20022 message unfreeze strategy. In February 2025, ECB decided to opt for a one-step approach for T2 payment messages, confining the exception to these messages and minimizing the impact on other TARGET services. Exceptions include pacs.002, pacs.004, pacs.008, pacs.009, pacs.010, camt.029, and camt.056, subject to technical feasibility and detailed reassessment. Other T2 messages will continue with the two-step approach due to their effect on TARGET Services. An extended market testing window for payment messages in November 2026 is under consideration, linked to the detailed assessment of related T2 change requests.

Business Day change between 17-22 April 2025

In line with the communication shared on 21 March 2024, the Danish krone (DKK) will migrate to T2 over the Easter weekend between 17 April and 22 April 2025. In order to facilitate a smooth migration, the T2 operating schedule for the EURO currency will be adjusted:

- The DKK migration activities will start on Thursday, 17 April 2025, after the completion of the 17 April 2025 business day, i.e., at around 18:45 CET.
- The DKK migration is foreseen to be completed before 22:45 CET on the same day, allowing the change of the business day to take place at around 23:00 CET, followed by the start of the CLM RTS and the RTGS RTS I period for the business day 22 April 2025.
- The business day of 22 April 2025 will remain open (in RTS I period) until Tuesday, 02:30 CET, when CLM will resume its RTS period and RTGS will enter the RTS II period, as per the usual schedule.
- In between, there will be a short interruption of the CLM and RTGS RTS I period on Sunday between 07:30 CET and 08:00 CET, when T2 will enter into maintenance.

Non-bank PSP access to TARGET Services

The ECB has decided to implement the Eurosystem's policy allowing non-bank payment service providers (PSPs) to access central bank operated payment systems and central bank accounts. This includes the requirements that will be applied by the Eurosystem central banks to allow direct access by non-bank PSPs to payment systems, including TARGET Services. The method for calculating maximum holdings on accounts is also included. The required amendments to the Conditions to TARGET-NL will come into force on 16 June 2025. Learn more about the policy in the related news item and the Decision.

Eurosystem expands initiative to settle DLT-based transactions in central bank money

The initiative to settle transactions recorded on distributed ledger technology (DLT) in central bank money will be expanded. The initiative will follow a two-track approach. First, as soon as feasible, the Eurosystem will develop and implement a safe and efficient platform for such settlements in central bank money through an interoperability link with TARGET Services. A concrete time plan will be announced in due course. Second, the Eurosystem will look into a more integrated, long-term solution for settling DLT-based transactions in central bank money. This will also include international operations, such as foreign exchange settlement. It will build on the Eurosystem's exploratory work on new technologies for wholesale central bank money settlement, conducted between May and November 2024. You can read more in the press release.

Changes & releases

The production deployment of the Release R2025.JUN for T2 and T2S will take place on 14 June 2025 while for TIPS a rolling update is planned for 16-19 June. For a full overview of the forthcoming changes in the June release, as well as in subsequent releases, we direct you to the webpages related to T2, T2S and TIPS.

We would like to draw your attention to two important topics respectively concerning TIPS and T2 releases scheduled for 2025. These areas of focus are outlined in detail below:

TIPS Interlinking Plan
The first two phases of the TIPS Interlinking Plan will be implemented this year. The first phase (in June) is the implementation of the cross-currency settlement service based on the **One-Leg Out (OLO) Instant Credit Transfer (OCT Inst) scheme** (TIPS-0064-URD). This phase will enable interaction between TIPS and other (fast) payments systems outside the euro area through participants connected to the two systems (correspondent banking model). The OLO scheme is an optional scheme for banks.
The second phase (in October) is the implementation of cross-currency settlement services for TIPS hosted currencies (TIPS-0065-URD). The **Enhanced Linked Transaction (LKT) settlement models** link the two legs of phase 1 for TIPS hosted currencies so that settlement takes place simultaneously. The model forms the technical basis for bilateral and multilateral links with other fast payments systems in the future.

Publication date (non)-bindings XSDs in My Standards (T2 R2025.NOV)
The upcoming T2 November release contains change requests that will require testing capacity on your side. The change request with the biggest impact will be T2-0146-UDFS, bringing amongst other things the hybrid (partially structured/unstructured) address in payment messages. The delivery of non-binding XSDs in My Standards for the T2-WG community and the market will be on 13 June 2025. The publication date for binding XSDs is 29 July.

Recent and upcoming publications

- **Conditions to TARGET-NL** will be updated per 16 June 2025. You will receive the updated Conditions to TARGET-NL 14 days prior.

Contact information

- Should you have any questions or remarks, please do not hesitate to contact us on via e-mail (targetservices@dnb.nl) or telephone (+31 20 52 43 564).
- Past editions of the Newsletter TARGET-NL Services can be found here.