

TARGET-NL Services Community Meet-Up 2025

Amsterdam - 7 April 2025

DeNederlandscheBank

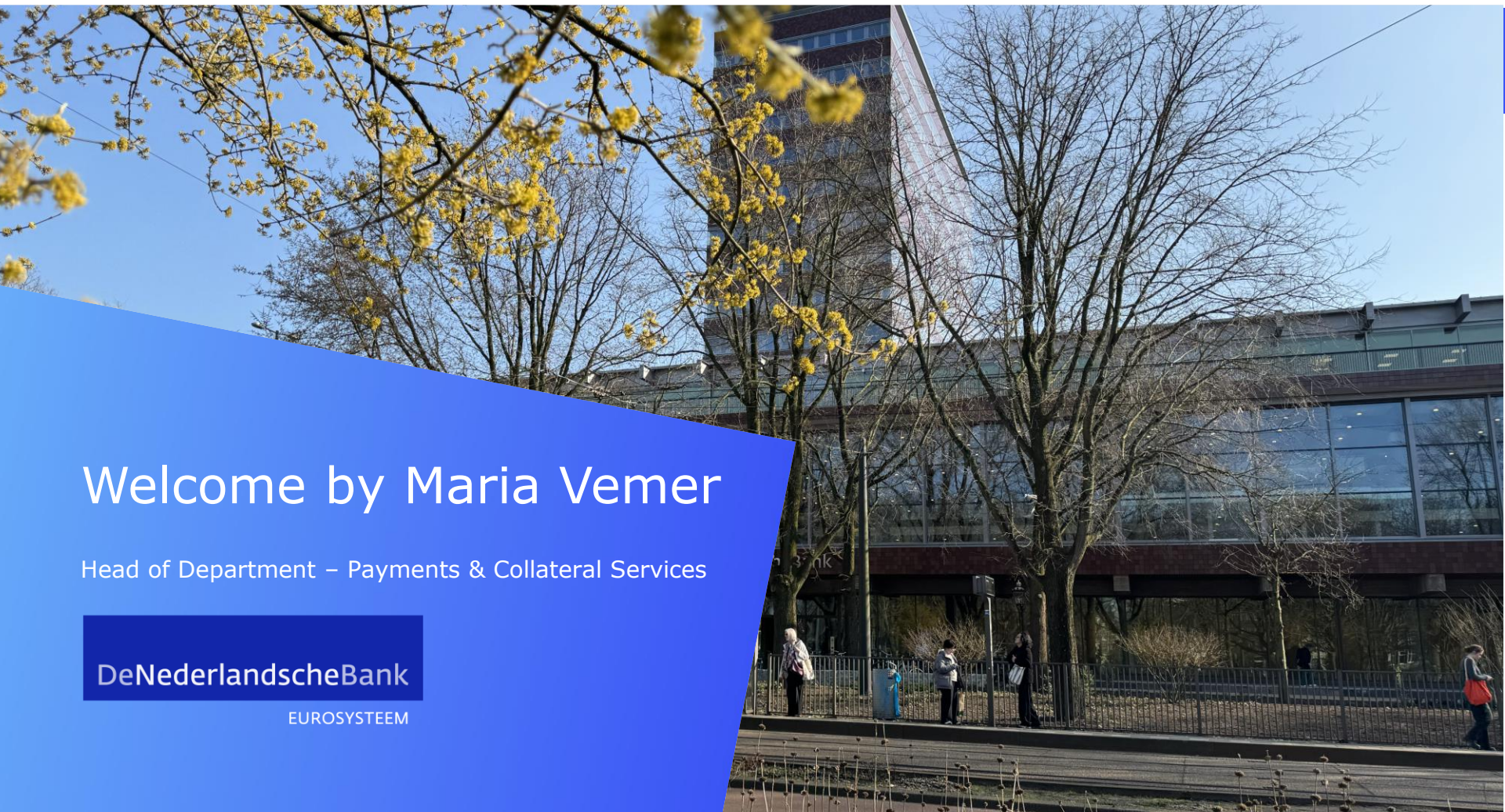
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Welcome by Maria Vemer

Head of Department – Payments & Collateral Services

DeNederlandscheBank

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Welcome!

Agenda

- ⏮ An Overview of the Past Year
- 📋 Results TARGET-NL NSD Satisfaction Survey 2024
- ⚠ T2 & T2S Incident 27th of February
- ⏭ A Perspective on Upcoming Developments in TARGET-NL Services
- € Central Bank Digital Currency
- 💬 Open Call Discussion
- 🤝 Closing statement by Ina Willemse – Head of Section
- 🍸 Drinks and tour of the new building

Looking back:

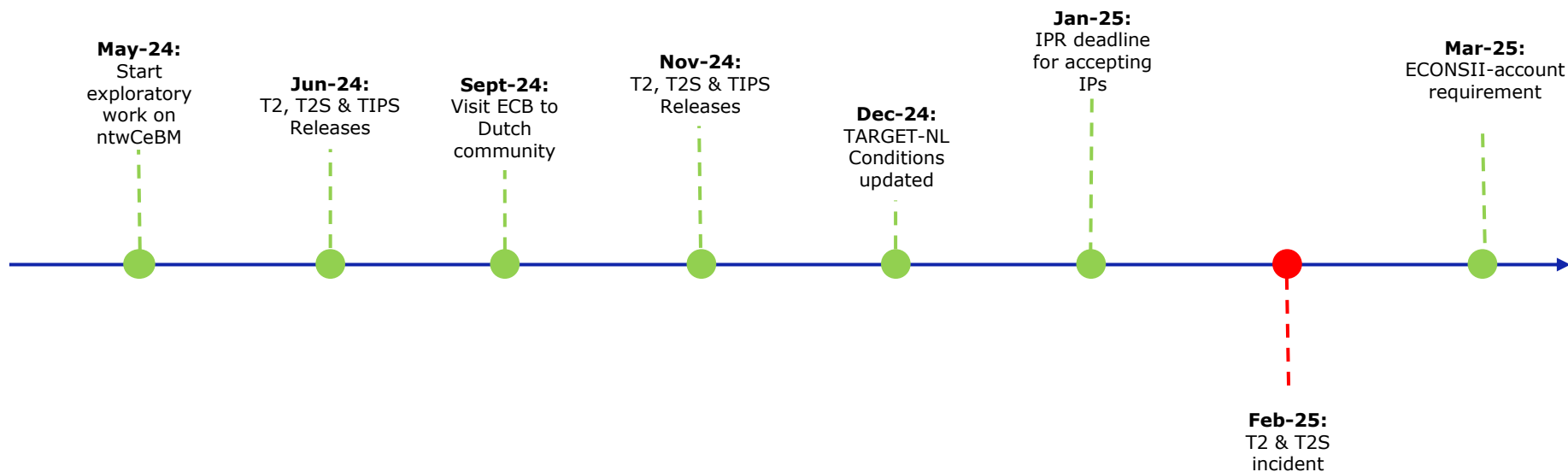
An Overview of the Past Year &
Results of the TARGET-NL NSD
Satisfaction Survey 2024

Bea Pauw & Thomas Kruik

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Looking back: An overview of the past year



Looking back: Results TARGET-NL NSD Survey 2024



Overall grade

8,2^{+0,2}



What are you happy with?

- Promptness (incidents)
- Friendliness and kindness
- Knowledge, understanding, and quality of information
- Pragmatic solutions
- Reachability, reliability and flexibility
- Newsletter TARGET-NL Services

Looking back: Results TARGET-NL NSD Survey 2024

TARGET-NL Community Feedback



Please simplify opening and setting up new accounts



Pro-actively reach out to ECB/4CB with reminders, NSD-NL in between parties



Provide examples of user case experience of implementations



Contact list does not always seem to be up-to-date



Change requests and their impact on our institution is sometimes unclear

NSD responses/actions (to be) taken

We have started drafting one-pagers on onboarding in TIPS and TARGET Services as whole. One-pagers on T2 and T2S still to come.

We have updated our monitoring tools. We will keep raising the issue at ECB/4CB.

We will share these more proactively. An option would be via the Newsletter.

We have recently updated contact list. Please notify us in case there are changes from your side.

Our Newsletter will be more elaborate on impending CRs. NSD stands ready for answering questions on the impact of CRs.

Looking back: T2 & T2S Incident of 27th of February

Bob Brokmann & Erik Beunen

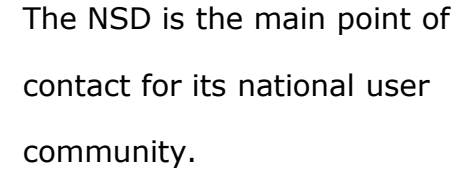
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T2 & T2S Incident 27th of February: Communication

- Regular posting of updates on the ECB website (roughly every hour)
- Regular mail updates via National Service Desk to TARGET Participants
- Holding of 3 calls with TARGET Crisis Communication Group at key moments of the incident
- Communication on the incident on Friday 28 February 2025 at 17:10
- [Subscribe to email alerts about the operational status of TARGET Services](#)
- [TARGET Services - operational status](#)



Recap: TARGET Services Contingency Measures

- [Information Guide for TARGET participants](#)
- Act on behalf by the NCB or the ECB for banks/participants and ancillary systems
- Backup payments
- Contingency dual connection
- ECONSII – non-similar facility
- 4 sites two regions – delayed closing – fixing the incident/applying a workaround - LLI

Recap: Contingency Processing in ECONSII

[Information Guide for TARGET participants](#) > 4.1.2.4 Contingency Processing in ECONS II

1. Highly critical cash transfer orders – these are time-sensitive and have the potential to cause spillover effects in other markets.
 - payments associated with CLS Bank International, processed via CLS settlement;
 - margin calls for central counterparties (pay-ins).
2. Critical cash transfer orders – while not time-sensitive, they must be settled within the same day to avoid systemic risk.
 - cash transfer orders linked to the settlement of other systemically significant payment systems (e.g., EURO1, STEP2-T, STET, Mastercard);
 - liquidity transfers from ECONS II to T2S or TIPS;
 - liquidity transfer orders and payments that (re)distribute liquidity essential for executing highly critical cash transfer orders or other critical cash transfer orders.
3. Other cash transfer orders

Note: The importance of other cash transfer orders may vary based on the length and nature of the incident.

Envisaged follow-up actions

Issues to be looked at

- Why did the built-in hardware resilience not work?
- Room for further improving monitoring tools, contingency, business continuity, communication?

Incident assessment

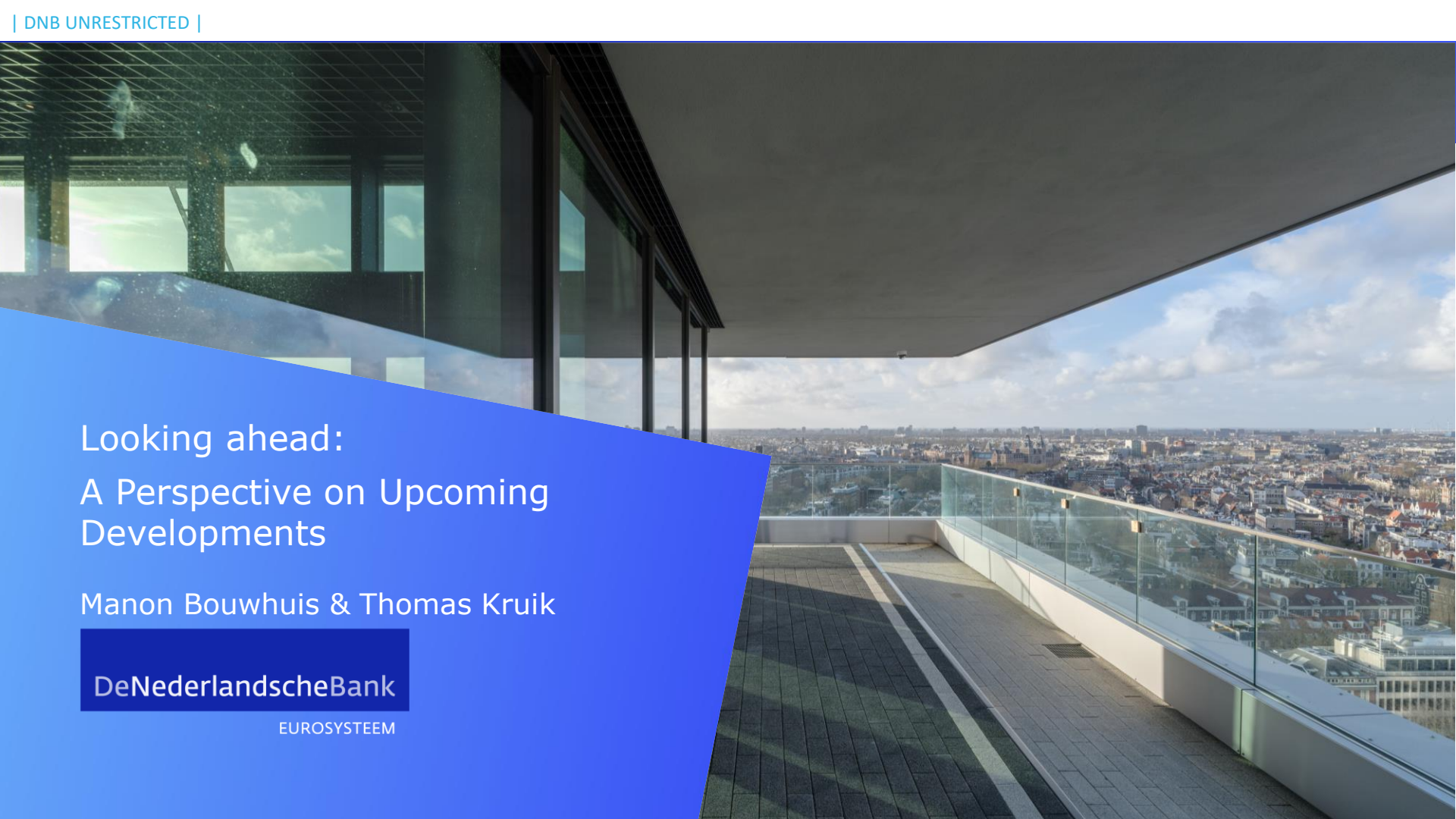
- Incident report by the 4CB
- Review by the MIB (including 2nd line function)

☞ *Comprehensive reports to be presented to the EB/GovC by June 2025*

☞ *Conclusions to be shared with market participants thereafter (T2-CG 26 June)*

Insights Gained / Emerging Questions

- Communication is crucial, even to convey that there are no updates. For example, should updates be provided every 30 or 60 minutes?
- Are you able to identify Very Critical payments from your customers, such as margin calls or CLS payments? This may include payments related to pension funds or correspondent banking clients.
- The delayed closing of T2 has resulted in reconciliation challenges. Interconnected systems may not be able to adapt to a new closing time. Should T2 adhere to a specific deadline, or should participants determine their ability to manage it? Possible deadlines could be 20:00, 22:00, or 00:00 hours.
- What is required to close A2A channels, and what expectations should the Eurosystem hold? Should participants be preparing for such scenarios?
- Is your intended recipient in ECONSII prepared and capable of receiving your payment? For instance, EBA Clearing operates on a pre-fund basis. What is the rationale for using ECONSII if pre-funding suffices?
- Which payments are essential during an extended ECONSII activation period? For instance, payments related to Eurex and others.
- Is your liquidity trapped, when ECONSII is activated?
- **Any additional comments related to resilience?**



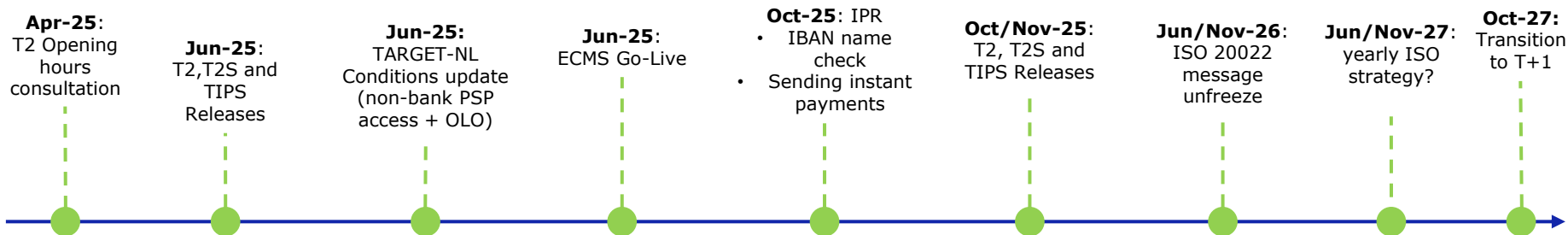
Looking ahead: A Perspective on Upcoming Developments

Manon Bouwhuis & Thomas Kruik

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Looking ahead: A Perspective on Upcoming Developments



ECB decided to opt for a one-step approach for T2 payment messages: pacs.002, pacs.004, pacs.008, pacs.009, pacs.010, camt.029, and camt.056, subject to technical feasibility and detailed reassessment. An extended market testing window for payment messages in November 2026 is under consideration, linked to the detailed assessment of related T2 change requests.

DIGITAL EURO

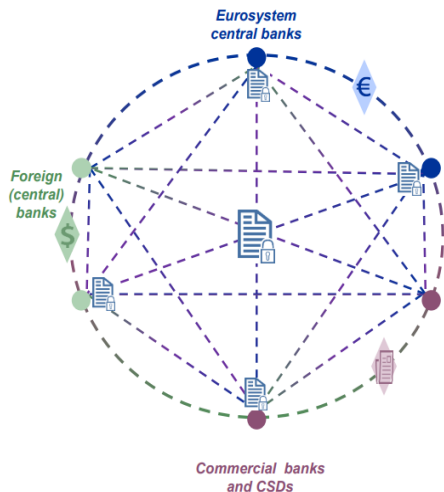
The future of money



10 March 2025

Menno Broos
Project lead digital euro, De Nederlandsche Bank

Definition of the digital euro: *retail CBDC* versus wholesale CBDC



Parallel to the digital euro, the Eurosystem is working on wholesale CBDC, also called 'new technology-based wholesale'.

- Track 1 develops an **interim solution** to connect new digital platforms, based on DLT, to TARGET Services.
- Track 2 develops a more integrated, **possibly shared infrastructure** for the settlement of DLT transactions in central bank money in the long term.



Duration



Participation



Amount settled



Use cases



**Eurosystem's
exploratory
work**

7 months

64 market stakeholders*

~€1.59 billion

Several different use cases **

Work concluded in November 2024

After 25 years, the euro prepares for the digital age

Digital payments: on the rise*

From 2019 to 2022:



Cash payments fell from 72% to 59%**



Card payments rose from 25% to 34%**, of which most were contactless



Online purchases rose from 6% to 34%**



A digital euro: bridging the gap

Complementing physical central bank money



Adapting central bank money to modern payment trends



Ensuring the euro remains fit for purpose in the digital age



* [Study on the payment attitudes of consumers in the euro area \(SPACE\)](#), ECB, December 2022.

** As a proportion of total payments

An easy, user-friendly digital euro for everyday payments

HOW THE DIGITAL EURO WOULD WORK

DIGITAL EURO ACCOUNT

With a bank or deposit-taking institution or through an app/card issued by the ECB

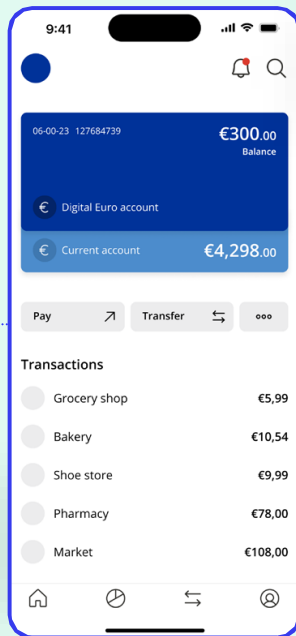
Issued
directly by
the ECB

FUNDING SOURCES

**PUBLIC
SERVICES
(E.G. POST OFFICES)**

ATM

**FROM
CURRENT
ACCOUNT**



DIGITAL EURO TRANSACTIONS

1 HOLDING LIMIT

(To be determined)

2 AUTOMATIC OVERFLOW

Assume a holding limit of €1,000.

If you receive a payment that pushes your balance above the holding limit, the surplus would be transferred automatically to your linked account.

If there is no account linked, the transaction will be declined.



**ONLINE
PURCHASES**



**OFFLINE
PAYMENTS**



**IN-STORE
PURCHASES**



**PERSON-
TO-PERSON
PAYMENTS**



**ATM CASH
CONVERSION**

Intermediaries would play a key role in digital euro distribution

Distribution via supervised payment service providers (PSP)



Digital euro distribution would be carried out **exclusively by PSPs**



PSPs would exclusively maintain **customer relations**



PSPs would benefit from **digital euro open standards**

Healthy equilibrium between central bank money and commercial money



Holding limits for end users (none for corporates)

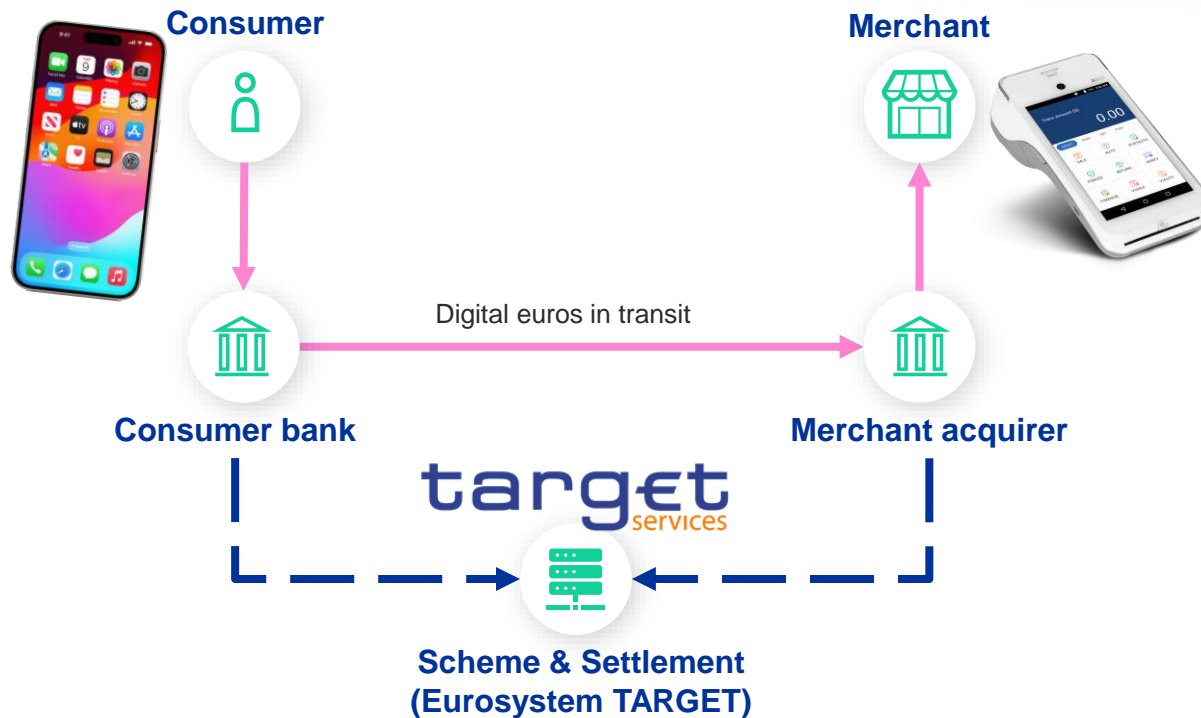


(Reverse) **waterfall functionality**



No remuneration for digital euro users

Digital euro integrated into current architecture



Staying ahead of the curve: preparing our currency for the future

Investigation phase

Oct. 2021 – Oct. 2023

Concept definition,
technical exploration and
design proposal

Preparation phase

Nov. 2023 – Oct. 2025

Main foreseen activities:

- Finalising the **scheme rulebook**
- Selecting **service providers**
- Learning through **experimentation**
- **Deeper dive** into technical aspects, including further research into offline functions and developing a testing and rollout plan for the future

Next phase

From Nov. 2025

Doing more experiments
and potentially **developing
pilots** before rolling out
digital euro use cases

Thank you

Additional supporting materials:

- Updated digital euro [FAQ](#)
- [Report](#): A stocktake on the digital euro
- [ECB opinion](#) on the EU Commission's digital euro legislative proposal
- Digital euro [one-pager](#)
- Digital euro [booklet](#)
- Digital euro [LinkedIn page](#)

Open call discussion

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Statement I

I find the ESMIG-portal to be an improvement compared to the user interface of TARGET2.

Statement II

Our institution has a clear and feasible plan for the ISO 20022 Message Unfreeze planned for 2026.

Statement III

DNB should host this TARGET-NL Community Meet-Up next year.

Closing Statement

Ina Willemse

Head of Section – Payments & Collateral
Services

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