OUTCOME

MEETING OF THE JOINT ADVISORY GROUP ON MARKET INFRASTRUCTURES FOR PAYMENTS (AMI-Pay) and SECURITIES AND COLLATERAL (AMI-SeCo)

19 September, 9:00 – 11:00 CEST

Teleconference (MS Teams)

0. Introductory remarks and approval of the agenda

Outcome:

Thomas Vlassopoulos, Director General of Market Infrastructure and Payments at the ECB since 1 September 2025 introduced himself as the new Chair of the Advisory groups on Market Infrastructures. The Chair welcomed the participants to this joint session of AMI-Pay and AMI-SeCo. Participants agreed on the agenda.

1. Post-mortem report on February 2025 TARGET incident

The ECB will present and summarise the contents (key takeaways and follow-up) of the post-mortem report on the major 2025 February TARGET incident which was shared with the AMIs in July 2025.

Outcome:

Following an ad hoc session in April 2025, the ECB provided an update on the content of, and follow-up to, the post-mortem report to the 27 February 2025 TARGET incident when both T2S and T2S were impacted by a major outage. As a follow up to the incident, the Eurosystem conducted a comprehensive analysis to identify lessons learned with the objective of preventing future occurrences and increase its preparedness in case of reoccurrence. The outcome of this analysis, together with a comprehensive action plan that includes 20 actions covering areas such as technical monitoring, business continuity arrangements, decision-making, and communication, are included in the post-mortem report, shared in July 2025 with the market.

AMI-SeCo and AMI-Pay members took note of the update.

The following clarifications were brought in the ensuing discussion:

- While the focus of the report is on the 27 February 2025 incident given its impact, it also covers lessons learnt from the March and May incidents.

- Further work in the T2S OMG on the criteria and the process for activating the T2S crisis communication groups will be conducted. Considering the relevance of the matter for them, additional DCPs will be invited to the related OMG discussions. The ECB recalled that the crisis communication groups are a way to enhance communication on an incident, not a tool for managing the incident itself.

- One member asked about the option to cancel queued payments once the T2 platform is resuming operations, in order to take out from the queue the transactions that have been settled via other channels during the incident (e.g. via ECONS2 or via EURO1). The ECB stressed the necessity to resume T2 normal operations without undue delay after a major incident like the one of 27 February. Giving the option to some participants to take out transactions before reopening for settlement would create a risk of delaying the return to normal operations. In this respect, it would still be valuable to improve the speed of alerting the participants that they should stop sending payments to T2.

The ECB will give further updates on the progress of implementing the follow-up measures in the December 2025 joint AMIs meeting.

Documents:

Presentation – Post-mortem report on February 2025 TARGET incident

2. Update on the ongoing Eurosystem public consultation on the potential extension of T2 operating hours

The ECB will give an update on the public consultation which is running until 30 September 2025.

Outcome:

The ECB provided an update on the ongoing Eurosystem public consultation on the possible extension of T2 operating hours, launched in June 2025. The Eurosystem is considering the possibility of moving T2 towards a 24/7 model. Such an extension would support the international role of the euro and accommodate the increasing demand for real-time transactions resulting from the rise in instant payments. It also aims to foster innovation and facilitate the use of central bank money. The consultation covers several options for extending T2 operating hours, including a move towards (i) a 24-hour operational day, (ii) a 6 or 7-day operational week, or (iii) a 365-day operational year. Additionally, the Eurosystem is considering some potential adjustments to key operational features or longstanding conventions such as (i) reorganising payments settlement during night-time, (ii) adjusting key cut-off times and (iii) introducing new value dates. Stakeholders are invited to send their responses / comments until 30 September 2025. The Eurosystem aims to publish a summary and assessment of the comments received by Q1 2026.

AMI-Pay and AMI-SeCo participants took note of the update and welcomed this important reflection in view of the constant developments/evolutions (discussions on extension of trading hours, reduction of the settlement cycle for securities or other relevant developments in the broader ecosystem).

One member cautioned on the importance to consider the impact such changes may have on the resilience of the platform, notably to ensure that a robust structure is in place to handle incidents throughout the extended operating hours. The ECB reassured that resilience would not be compromised by extending operating hours, noting that the two are not necessarily opposed as the example of TIPS shows.

<u>Documents</u>:

Presentation – Possible extension of the RTGS operating hours

3. ECB update on T+1-related developments

The ECB will give an update to the AMIs on T+1 related developments on the side of the T2S operator.

<u>Outcome:</u>

The ECB provided a status update on the preparations from the T2S perspective following the political agreement reached in June 2025 between the European Parliament and the Council on the move to T+1 settlement cycle. The migration to the T+1 settlement cycle will enter into force in October 2027 in the EU, the UK and Switzerland. Work in the T2S governance was initiated in early 2025 and the ECB Market Infrastructure Board shared the T2S governance contribution on the potential impact of the move to T+1 on T2S with the EU Industry Committee on 5 May 2025. In line with the recommendations published by the Industry Committee on 30 June 2025, the dedicated task force under the CSD Steering Group (CSG TF on T+1) raised the draft CR-858 – “Adjustment of the Night-Time Settlement for accommodating the shortening of the settlement cycle to T+1” as per the T2S Change and Release Management (CRM) process.

AMI-Pay and AMI-SeCo members took note of the update.

The ensuing discussion focused on the work on possible solutions to mitigate the potential increase in liquidity needs (recommendation of the Industry Committee stemming from the Securities Financing Transaction workstream), stressing that the analysis on this point is still ongoing. The ECB and participants acknowledged the need for further work on assessing the materiality of the need for potential mitigation measures in the short-term before considering longer-term measures, possibly with changes to T2S.

Finally, regarding the recommendation by the Industry Committee to investigate the potential postponement of the DvP cut-off in T2S from 16:00 to 17:00, AMI-SeCo and AMI-Pay will be consulted, seeking input on pros and cons of such potential move. As a next step, the ECB will prepare background analysis and questions.

<u>Documents</u>:

Presentation – ECB update on T+1 related developments

4. Any other business

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