

Participation in TARGET2-Ireland

The rules for participation in TARGET2-Ireland are set out in Title II of Annex I of the [TARGET2-Ireland Terms and Conditions](#).

Article 4 sets out the access criteria for direct participation and Article 8 specifies the application procedure to become a participant. Conditions that must be satisfied before becoming a participant in TARGET2- Ireland are contained in Clause 3 of the TARGET2-Ireland Terms and Conditions.

Credit institutions are eligible to be direct participants in TARGET2-Ireland if they are established in the Union or the EEA, including when they act through a branch established in the Union or the EEA. Credit institutions established outside the EEA may become participants provided that they act through a branch established in the Union or the EEA. The Bank may admit certain other entities listed in Article 4.

Electronic money institutions, within the meaning of Article 2(1) of the European Communities (Electronic Money) Regulations, 2002 (S.I. No. 221 of 2002), are not entitled to participate in TARGET2-Ireland.

TARGET2-Ireland Participation types:

Direct participant: a financial institution established in the European Economic Area (EEA) that holds an RTGS account in central bank money in T2 sends and receives payments on its own behalf or on behalf of its customers

Direct participation in T2 is possible via two different networks:

1. Direct Participant via SWIFT.
2. Internet-Based Participants – This secure internet connection allow payments to be entered manually via the TARGET2 Information and Control Module screens. Access via the internet is based on electronic certificates.

Indirect participation: a financial institution established in the EEA that sends and receives payments via a direct participant in T2.

Multi-addressee access: branches and subsidiaries of a direct participant in the EEA that are authorised to channel payments through the account of the direct participant.

Addressable BIC: a correspondent of a direct participant that holds a Bank Identifier Code (BIC), irrespective of its place of establishment.

Access to TARGET2-Ireland

The application procedure for TARGET2-Ireland is set out in Article 8 of Annex I of the TARGET2-Ireland Terms and Conditions. T2-Ireland connection can take anywhere between 3 and 6 months depending on the participation type required. The various steps defined below take place during that period.

1. Request for TARGET2-Ireland Access

An official request to access T2-Ireland must be made to the Eurosettlements and Collateral Management Manager at targetadmin@centralbank.ie & eurosettlements@centralbank.ie detailing:

- (i) T2 participation type required (see above);
- (ii) Purpose of the T2 account;
- (iii) The expected values and volumes that will be processed (direct participant);
- (iv) The expected balance that will be held on the account (direct participant).

Following an approval process, the applicant will need to go through a number of steps outlined below to access T2-Ireland.

2. Legal requirements:

The legal pre-conditions for participation in TARGET2-Ireland, in accordance with [The TARGET2 Guideline](#) are as set out in clause 3 of the TARGET2-Ireland Terms and Conditions. They include an obligation for applicants to enter into:

1. The Agreement in respect of Participation in TARGET2-Ireland (the **Participation Agreement**), which is accessible on the Bank's website via this [link](#); and
2. The Deed of Floating Charge over Credit Balances on Payments Module Accounts and Dedicated Cash Accounts (the **Deed of Charge**) in the form set out at the following link: [Deed of Charge](#).

In order for the Bank to supply execution versions of the above documents, we require the following:

- *Participation Agreement:*
 - a) Participant details: the full name, incorporation details, company registration number and registered office address of the 'Participant'
 - b) Notice details: the relevant notice details for the purpose of clause 5, including the address, facsimile number, e-mail address or SWIFT address, as applicable, and for the attention of whom (preferably a



function rather than a named person (for example, Head of Payments and Securities and Settlements Division))

- c) Process Agent details (if applicable): the relevant process agent details for the purpose of clause 13, including name and address
- d) Signing block details: the form of execution and the number of signatories
- *Deed of Charge*:
 - a) Counterparty details: the full name, incorporation details, company registration number and registered office address of the 'Counterparty'
 - b) Notice details: the relevant notice details for the purpose of Clause 17, including the facsimile number and for the attention of whom (preferably a function rather than a named person (for example, Head of Payments and Securities and Settlements Division)).
 - c) Signing block details: the form of execution, the number of signatories (for example, along with a single witness, whether one or two signatories) and whether the company seal will be applied.

In addition to entering into the above, an applicant for the opening and operation of a Payments Module (PM) account in TARGET2-Ireland must provide the following (in accordance with Article 8.1(b)(i) of Annex I to the Terms and Conditions and of Annex II to the TARGET2 Guideline):

- (i) A capacity legal opinion, which must be in the form specified in Appendix III to Annex I to the Terms and Conditions. The Bank's preference is that this opinion be provided by an external law firm. A draft of the capacity opinion should be provided to the Bank in advance of signing for our review. As regards this legal opinion:
 - a) The '*name of the TARGET2 component system*' is 'TARGET2-Ireland'
 - b) The '*Rules*' referred to in paragraph (1) of the documents also examined for the purpose of the legal opinion are the Terms and Conditions as of the date of the opinion
 - c) The documents to be specified in paragraph (2) of the documents also examined for the purpose of the legal opinion are the relevant Participation Agreement and Deed of Charge
 - d) The '*System Documents*' refers to the Rules, the Participation Agreement and the Deed of Charge
 - e) The laws of Ireland govern each of the System Documents
- (ii) A copy of a board minute or other relevant corporate authority approving the application for participation in TARGET2-Ireland (including evidence of the requisite power and authority of the authorised signatories executing both the Participation Agreement and the Deed of Charge).

Intra-day credit: Participants in TARGET2-Ireland that wish to be able to access the intra-day credit facility must enter into the framework agreement in respect of Eurosystem operations secured over collateral pool assets with the Bank and create the associated deed of charge in favour of the Bank. See



<https://www.centralbank.ie/monetary-policy/policy-implementation/legal-documentation> for these documents.

3. Register on SWIFT.com and process e-ordering. Electronic certificates

- Register for a Bank Identifier Code (BIC).
- The applicant will have to go through the e-ordering process on the SWIFT website to subscribe to T2 services for both the test and live environments.

Electronic certificates

The connection of Internet Based Participants is based on electronic certificates. These certificates are issued by the Accredited Certification Authority of the Banca d'Italia. Applications for certificates are always made via the Central Bank of Ireland on behalf of the applicant.

4. Registration of static data

In order to give the applicant access to T2 they will have to submit a number of static data forms to targetadmin@centralbank.ie. Two sets of forms will be required, one for the test environment and one for the production environment. The forms must be signed and sent to the Central Bank of Ireland to be processed.

Static data forms for be found here: <https://www.centralbank.ie/financial-system/payments-and-securities-settlements/target-services/target-forms>

5. Certification Testing

Applicants that want to connect to TARGET2 are subject to a number of certification test requirements in order to confirm connectivity to T2 and that the applicant can fully operate its business without any issues. A test plan will be agreed between the Central Bank of Ireland and the applicant. We will provide all necessary support during the test period.

- Connectivity testing** verifies the ability of the future T2 users to connect to T2. Before the start of connectivity testing, the following entry criteria have to be met:
- Interoperability testing** ensures that the future user can participate in T2 by using all the relevant functionalities of T2. All future T2 users should be able to send and receive correctly formatted information and a different set of test cases is assigned to the user depending on the user profile. Connectivity testing must be complete before interoperability testing starts.

Latest version of T2 Testing Guide and Connectivity and Interoperability test cases can be found here:

https://www.ecb.europa.eu/paym/target/target2/profuse/nov_2019/html/index.en.html

6. Go-live

The connection always goes live at the start of a new reserve maintenance period (see ECB website) and after approval by the Central Bank of Ireland

TARGET2 Pricing

The costs related to the direct participation in TARGET2-Ireland will be invoiced to the participant which consist of a fixed monthly charge plus a charge per transaction.

Pricing for internet-based participants consists of a monthly fixed fee of €70.

The Core Pricing Scheme

The tariffs for participation in TARGET2 are as follows:

For a connection via SWIFT, the participant will be charged according to the option chosen: option A or option B.

Option A:

- A monthly fee of €150 plus;
- A flat transaction fee of €0.80 per transaction (debit entry);

Option B

- A monthly fee of €1,875 plus;
- A volume-based transaction fees ranging from €0.60 to €0.125 per transaction (debit entry) based on the bands below:

Band	From	To	Price
1	1	10,000	€0.60
2	10,001	25,000	€0.50
3	25,001	50,000	€0.40
4	50,001	100,000	€0.20
5	Above 100,000		€0.125



Termination of Target2 participation

Article 33(2) of Annex I to the TARGET2-Ireland Terms and Conditions provides that a participant may terminate its participation in TARGET2-Ireland at any time by giving 14 business days' notice, unless it agrees a shorter notice period with the Central Bank.

On termination of participation, the PM accounts of the participant concerned shall be closed in accordance with Article 35 of Annex I to the TARGET2-Ireland Terms and Conditions.

Notice of termination must be provided by letter addressed to the Head of Payments and Securities Settlements Division, Central Bank of Ireland, and signed by an authorised signatory, which may be sent by email to eurosettlements@centralbank.ie with "TARGET2 Termination" in the subject line.

Once a participant has duly notified the Central Bank of its intention to terminate its participation in TARGET2-Ireland on a specified date, as provided for above, and this has been acknowledged by the Central Bank, they must resubmit their original static data forms with the delete options ticked and duly signed by authorised signatories.

Having terminated its participation in TARGET2-Ireland, an entity may release its Deed of Floating Charge over Credit Balances on Payment Module Accounts and Dedicated Cash Accounts. The Central Bank has prepared a deed of release for that purpose, which will be provided to the entity on request.

Please contact targetadmin@centralbank.ie for further information

Queries:

Queries in relation to T2-Ireland access may be sent to the Central Bank at targetadmin@centralbank.ie / eurosettlements@centralbank.ie