

BANKING

TARGET2-SECURITIES NEXT-LEVEL LIQUIDITY MANAGEMENT

New complexities and activity fields for liquidity management

TARGET2-Securities (T2S) represents the new dimension of liquidity management in Europe. The introduction of T2S links securities settlement directly to the cash platform TARGET2 (T2) and your own collateral management system.

New strategic dimension with T2S

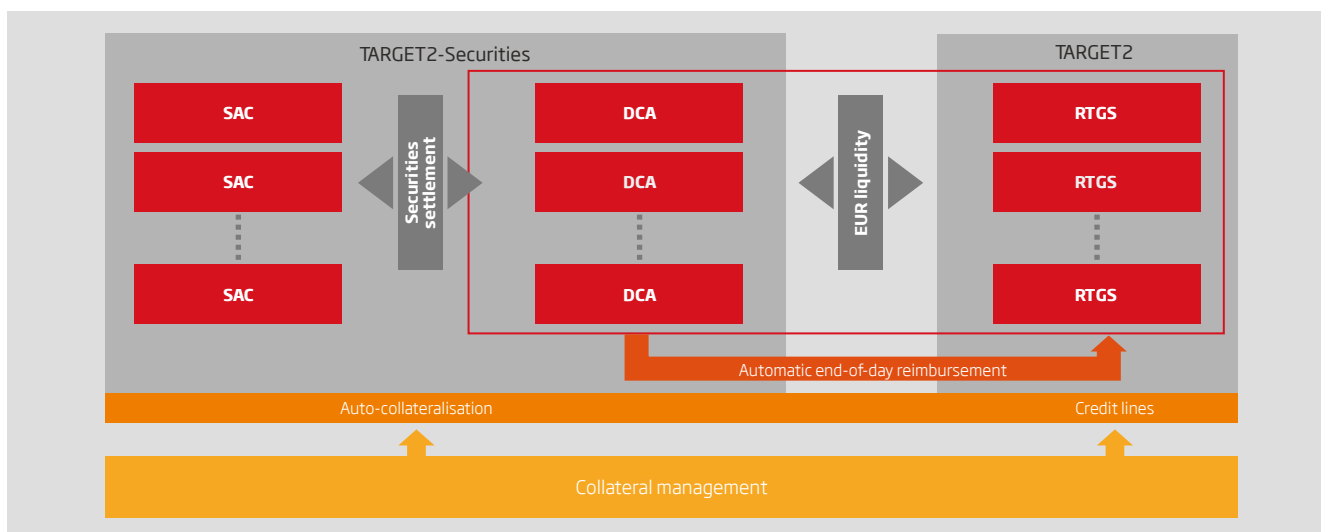
TARGET2-Securities (T2S) establishes a new, harmonised and centralised securities settlement environment in central bank money across Europe. This is yet another step by the European Union to further promote the cross-border harmonisation of financial markets and to facilitate the creation of an effective, cost-efficient and competitive European securities market.

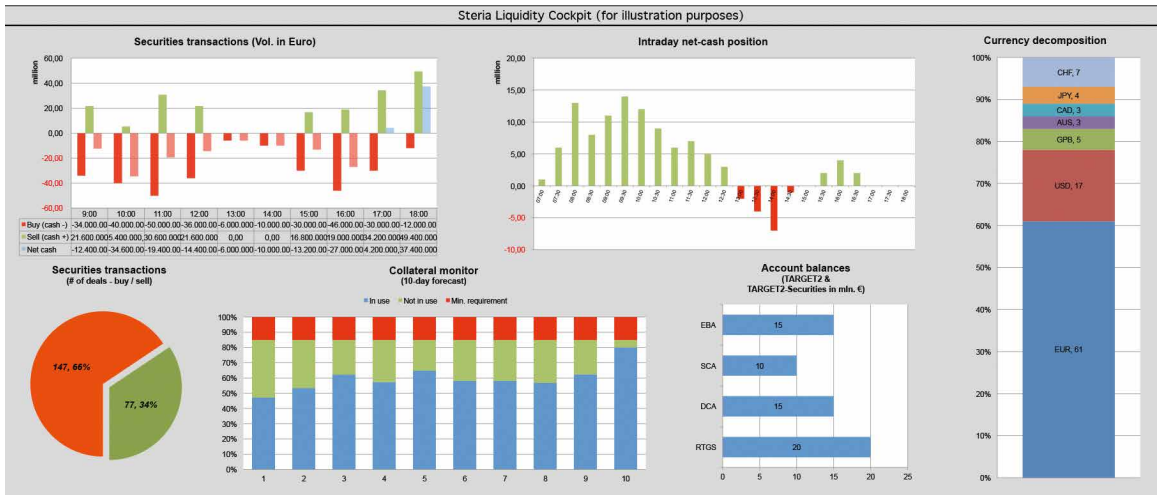
T2S is based on the existing model of the central bank money management mechanism, T2, and will bring national and cross-border securities settlement onto a single shared platform. This integrated system architecture is a turning point for current liquidity management.

The combination and interaction of securities management, liquidity management and collateral management is increasing and offers a uniform, integrated and flexible setup that provides new strategic options and optimisation approaches to treasuries.

Implications for market participants

The close interactions and increased number of control features will put your treasury in a position to face new challenges and complexities in their daily business. Dedicated Cash Accounts (DCAs) are the central elements for settling the monetary side of securities on Security Accounts (SACs). The various sources for liquidity, such as credit lines (T2) and the new auto-collateralisation offer (T2S), compete with one another for collateral. They therefore require efficient management as well as effective allocation of these.





Solution: Next Level Liquidity Management

The new environment requires that treasuries take an integrated and holistic approach that takes the main points for action into consideration:

- Optimisation of liquidity positions and liquidity allocation
- Efficient handling of collateral
- Reliable forecasts and monitoring

Therefore, the utilisation of all available information within an enterprise – in particular current balances, unsettled transactions and their forecasts – serves as the foundation for further optimisation.

Individualised approach

The consultative methodology of Sopra Steria Consulting offers a high degree of flexibility, ranging from analysis support and identification of optimisation opportunities to the holistic implementation of the solution design.

We help you to design and implement an individual project plan in the traditional way, with all technical requirements & solutions.

Our technical know-how is an integral element of our service portfolio and solution designs. The Liquidity Cockpit concept provides dedicated information on cash, collateral and securities positions. The Steria Liquidity Suite, with its Nostro & Euro Cash Manager and the Collateral Optimizer module, represents the individually adjustable and modular approach of our solutions.

Contact us

Get in touch to start designing your liquidity management today and contact us!

