



# Overview of the Romanian Payments System

Răzvan Vartolomei

Director of the Payments Department

National Bank of Romania

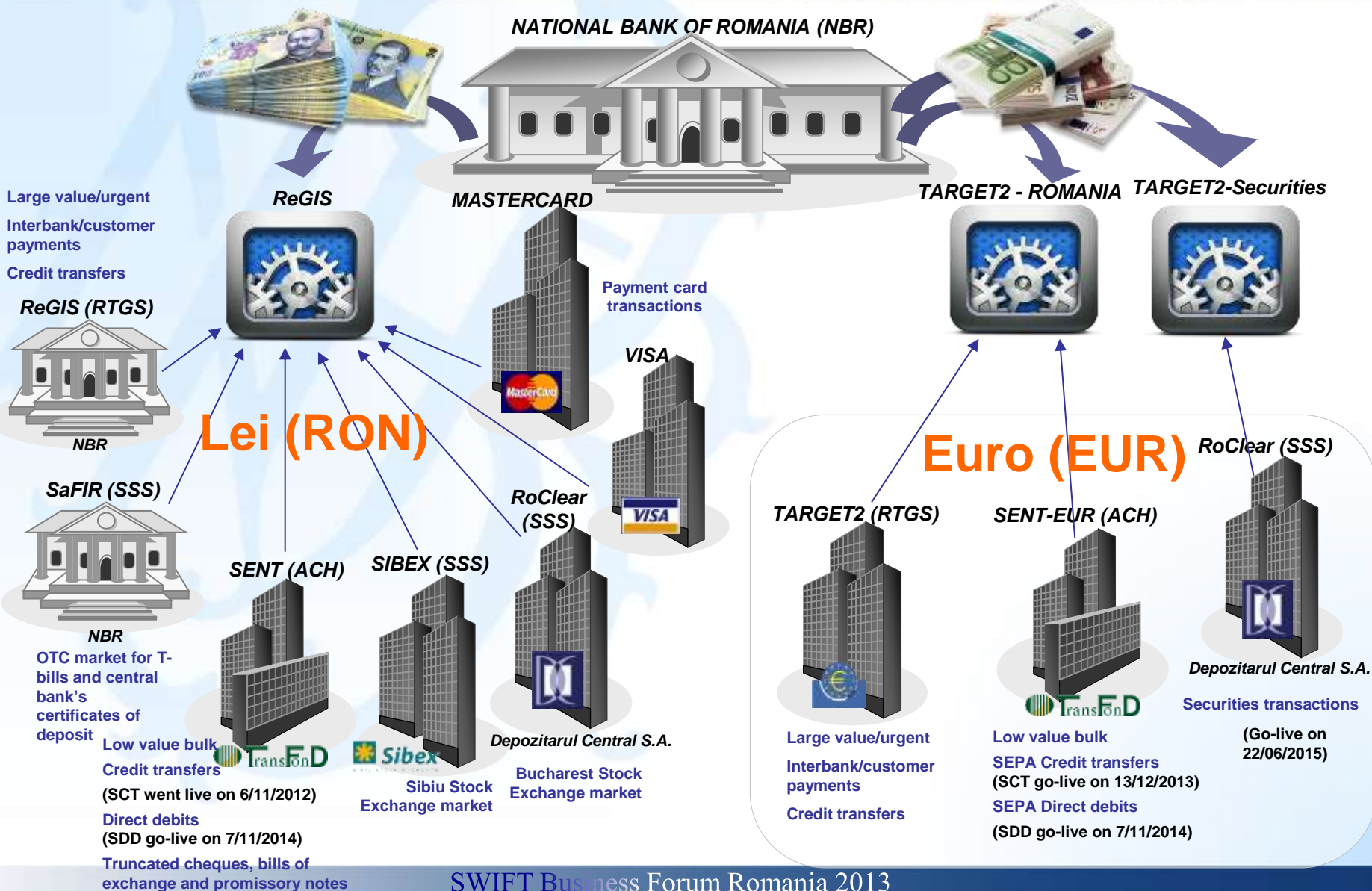
SWIFT Business Forum Romania 2013

Bucharest, 7 November 2013



# NATIONAL BANK OF ROMANIA

NATIONAL BANK OF ROMANIA (NBR)

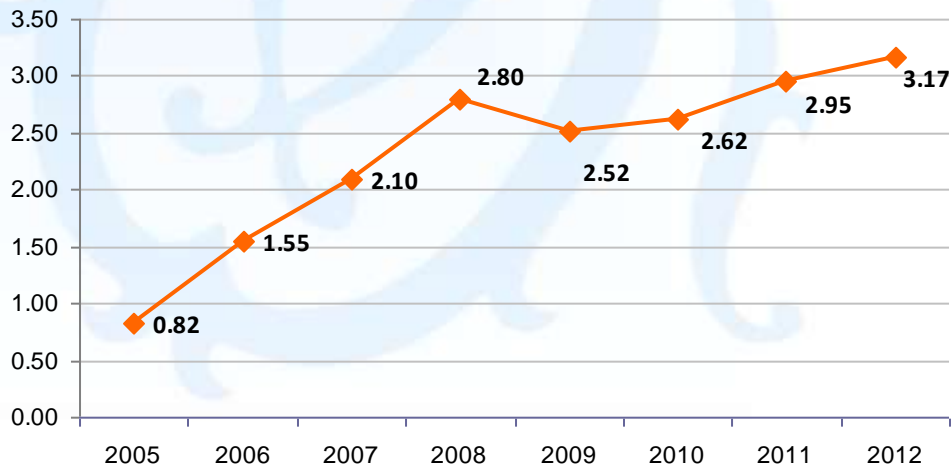




## ReGIS value of transactions (bln. RON)

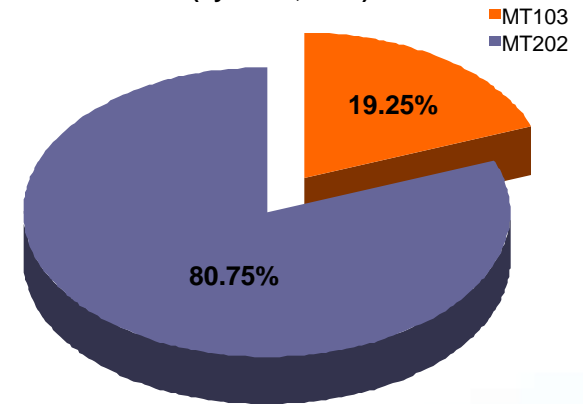


## ReGIS volume of transactions (mil.)

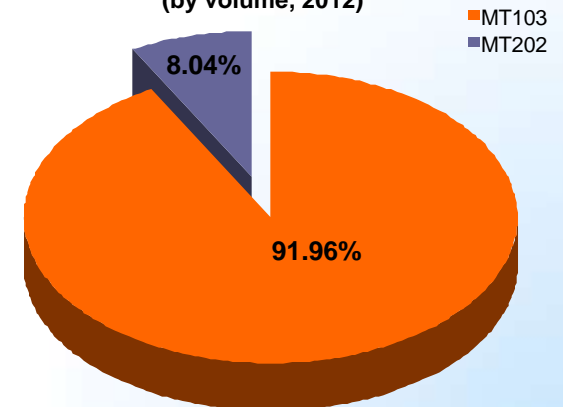


**Participants:** 40 credit institutions, State Treasury, NBR + 6 ancillary systems

### Payment messages structure (by value, 2012)



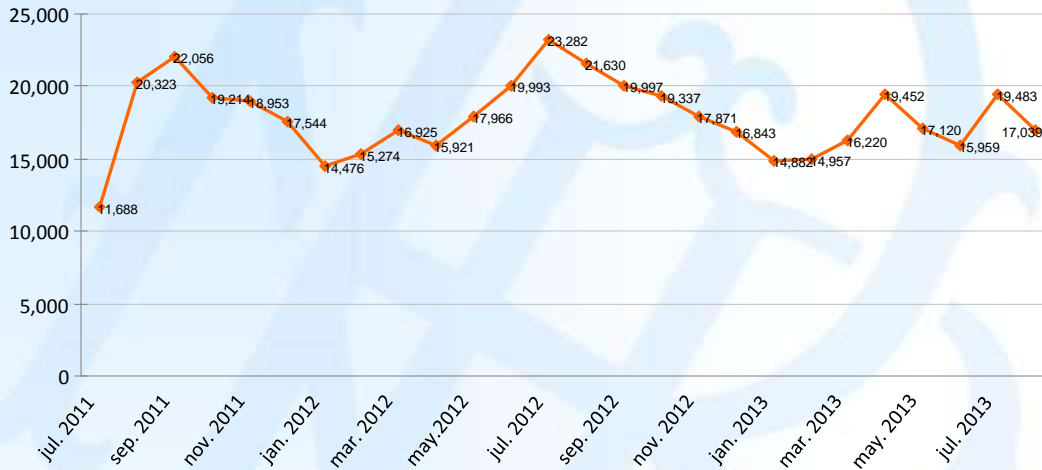
### Payment messages structure (by volume, 2012)



Source: National Bank of Romania, Payments Department



## TARGET2-Romania: Volume of transactions

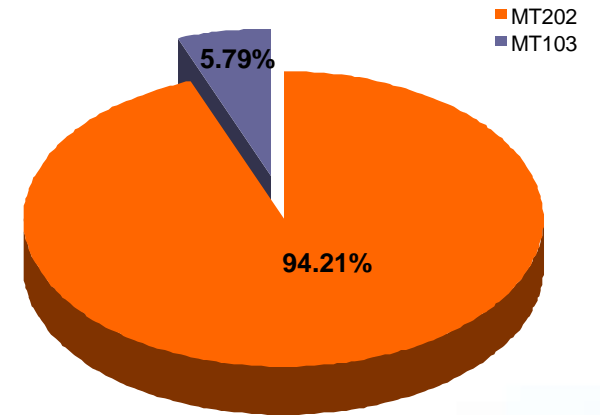


## TARGET2-Romania: Value of transactions (mil. EUR)

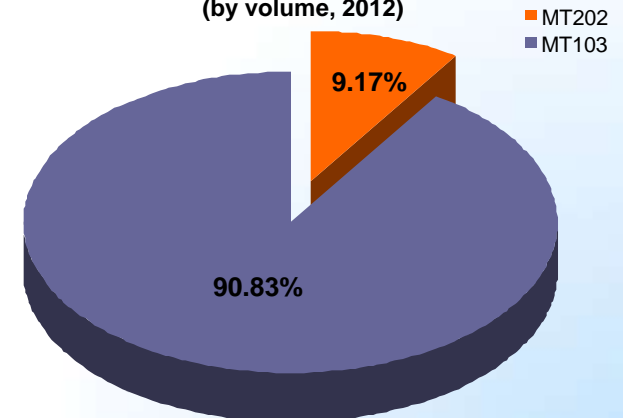


**Participants:** 22 credit institutions + NBR

### Payment messages structure (by value, 2012)



### Payment messages structure (by volume, 2012)



Source: National Bank of Romania, Payments Department



## 1. TARGET2 migration to ISO 20022

- New ISO 20022 strategy for TARGET2 approved by the PSSC in October 2012.
- First consultation on functional changes to be implemented in TARGET2 took place in May-June 2013, via National User Groups (NUGs) and TARGET2 Working Group (TWG).
- Second round of users' consultation is planned for November-December 2013.
- General Functional Specification document will be finalized in 2014.
- Final version of User Detailed Functional Specifications will be available in October 2015.
- Next phase of the project consists of software development and testing.
- Go-live scheduled for November 2017.

## 2. Ancillary systems in TARGET2-Romania

13/12/2013 => SENT (i.e. the retail payments system owned and operated by TRANSFOND S.A.) will start operating as first ancillary system participating in TARGET2-Romania (i.e. SEPA compliant CSM, based on EACHA interoperability framework).



## 3. TARGET2-Securities (T2S)

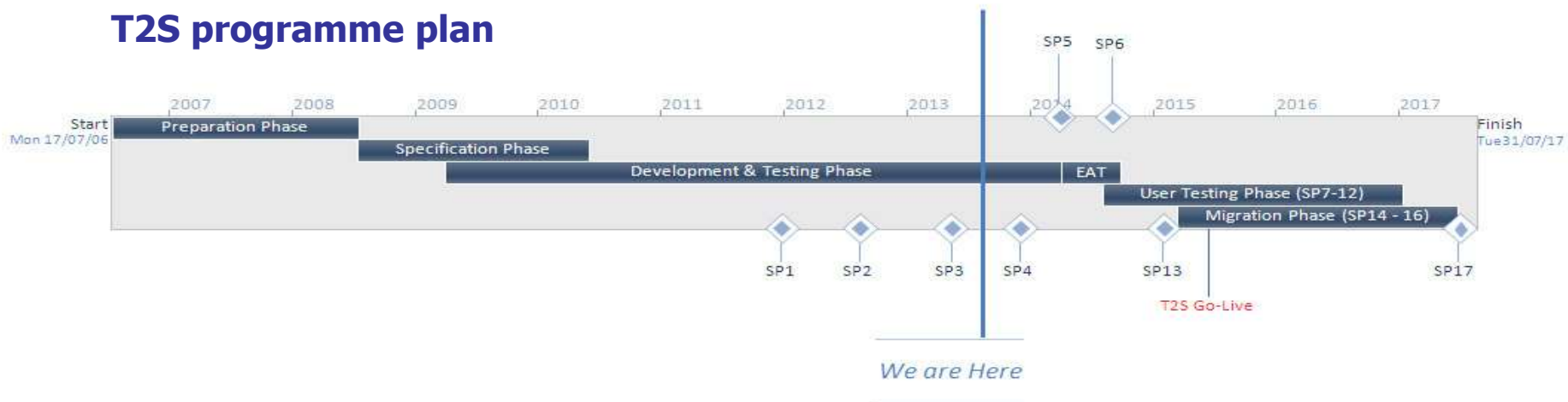
### What is T2S?

- An integrated settlement platform provided by the Eurosystem for DVP settlement of securities transactions in central bank money within EEA (euro + other currencies).

### Participating entities

- 24 CSDs signed the T2S Framework Agreement (out of which 18 CSDs from euro area).
- Euro area NCBs, ECB and 4 non-euro area TARGET2 NCBs (Lithuania, Romania, Latvia and Denmark).
- Only one non-euro area NCB signed the Currency Participation Agreement (i.e. Danmarks Nationalbank will make the Danish krone available in T2S in 2018).

### T2S programme plan



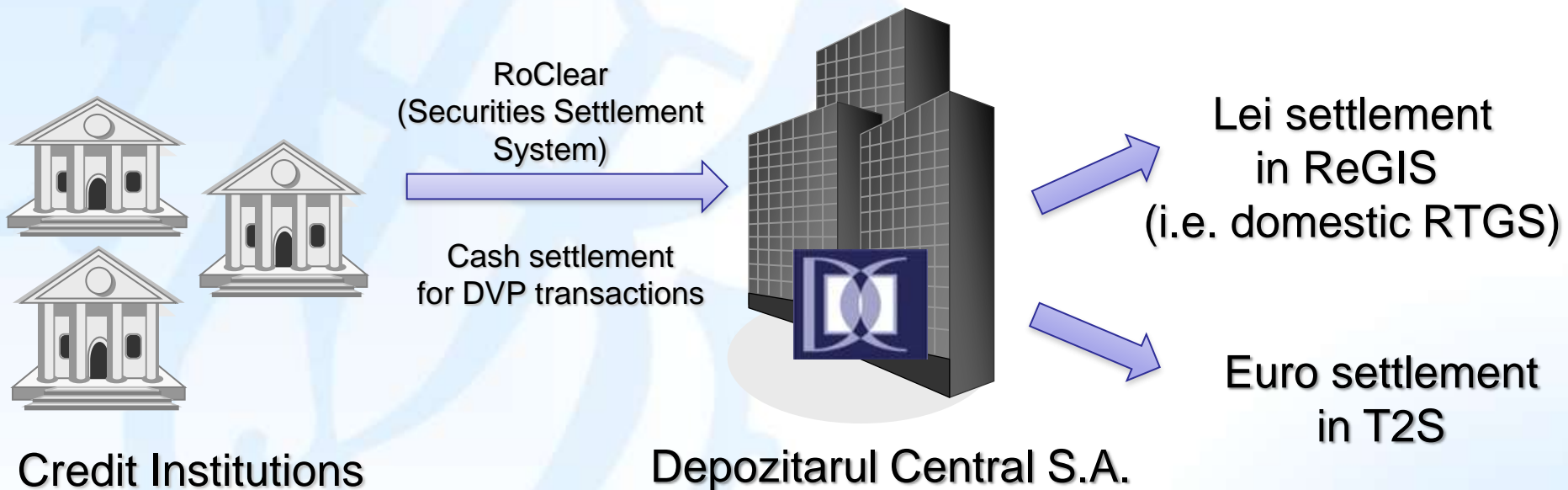


## T2S project in Romania

- Depozitarul Central S.A. will connect to T2S in the first wave (22 June 2015), for settling the euro cash leg of securities transactions.
- As operator of TARGET2-Romania, NBR will provide settlement services in euro on the T2S platform for Romanian payment banks (settlement in Lei not envisaged).
- NBR will open/manage *dedicated cash accounts* (DCAs) for eligible financial institutions, based on contracts signed with DCA holders (legally, DCAs will be part of the TARGET2 perimeter and will operate according to TARGET2 Guideline; DCAs will be dedicated to settlement purposes only and will be linked to the cash accounts in the RTGS systems: TARGET2 and/or national RTGS systems).
- NBR will monitor liquidity in T2S and liquidity flows between TARGET2-Romania and T2S, it will handle the failed liquidity transfers and will coordinate/manage the abnormal situations impacting the cash side (T2S & T2).
- No auto-collateralization will be provided by NBR to payment banks.
- No central bank operations/accounts in T2S.



## Should the Romanian banks be interested in acting as payment banks in T2S?



- Currently, RoClear system uses 17 banks for settling the Lei cash leg in ReGIS, out of which 12 banks are also participants in TARGET2-Romania.
- An opportunity for banks to maintain their securities (custody & settlement) business?





***Thank you for your attention!***

Răzvan Vartolomei  
Payments Department  
National Bank of Romania

E-mail: [razvan.vartolomei@bnro.ro](mailto:razvan.vartolomei@bnro.ro)

Phone: +40 21 313 06 93

TARGET2 Management Division

E-mail: [target2-romania@bnro.ro](mailto:target2-romania@bnro.ro)

Phone: +40 21 307 08 38

Website: [www.bnr.ro](http://www.bnr.ro)