



TARGET2-Suomen Pankki

Rules for TARGET2-Suomen Pankki

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RULES FOR TARGET2-SUOMEN PANKKI

TITLE I - GENERAL PROVISIONS

Article 1 Definitions

For the purposes of these Rules the following definitions apply:

‘addressable BIC holder’ means an entity which:

- (a) holds a Business Identifier Code (BIC);
- (b) is not recognised as an indirect participant in the PM; and
- (c) is a correspondent or customer of a PM account holder or a branch of a direct or indirect participant in the PM, and is able to submit payment orders to and receive payments from a TARGET2 component system via the PM account holder *(Amendment 30.11.2018)*

‘AL agreement’ means the multilateral aggregated liquidity agreement entered into by the AL group members and their respective AL NCBs, for the purposes of the AL mode;

‘AL group’ means a group composed of AL group members that use the AL mode;

‘AL group manager’ means an AL group member appointed by the other AL group members to manage available liquidity within the AL group during the business day;

‘AL group member’ means a PM account holder which has entered into an AL agreement;
(Amendment 22.6.2015)

‘AL mode’ means the aggregation of available liquidity on PM accounts;

‘AL NCB’ means a participating NCB that is party to an AL agreement and acts as the counterparty for the AL group members which participate in its TARGET2 component system;

‘ancillary system (AS)’ means a system managed by an entity established in the European Union or the European Economic Area (EEA) that is subject to supervision and/or oversight by a competent authority and complies with the oversight requirements for the location of infrastructures offering services in euro, as amended from time to time and published on the ECB website¹, in which payments and/or financial instruments are exchanged and/or cleared or recorded with (a) the monetary obligations settled in TARGET2 and/or (b) funds held in TARGET2, in accordance with Guideline ECB/2012/27 of the European Central Bank² and a bilateral arrangement between the ancillary system and the relevant Eurosystem CB; *(Amendment 30.11.2018)*

¹ The Eurosystem's current policy for the location of infrastructure is set out in the following statements, which are available on the ECB's website at www.ecb.europa.eu: (a) the policy statement on euro payment and settlement systems located outside the euro area of 3 November 1998; (b) the Eurosystem's policy line with regard to consolidation in central counterparty clearing of 27 September 2001; (c) the Eurosystem policy principles on the location and operation of infrastructures settling euro-denominated payment transactions of 19 July 2007; (d) the Eurosystem policy principles on the location and operation of infrastructures settling euro-denominated payment transactions: specification of 'legally and operationally located in the euro area' of 20 November 2008; (e) the Eurosystem oversight policy framework, revised version of July 2016.; *(Amendment 30.11.2018)*

² Guideline ECB/2012/27 of the European Central Bank of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (OJ L 30, 30.1.2013, p. 1)



'ancillary system central bank (ASCB)' means the Eurosystem CB with which the relevant AS has a bilateral arrangement for the settlement of AS payment instructions in the PM;

'Ancillary System Interface (ASI)' means the technical device allowing an AS to use a range of special, predefined services for the submission and settlement of AS payment instructions; it may also be used by a participating NCB for the settlement of cash operations resulting from cash deposits and withdrawals;

'available liquidity' (or 'liquidity') means a credit balance on a participant's PM account and, if applicable, any intraday credit line granted by the relevant euro area NCB in relation to such account but not yet drawn upon, or, if applicable, decreased by the amount of any processed reservations of liquidity on the PM account; (*Amendment 30.11.2018*)

'Banking Directive' means Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast)³;

'branch' means a branch within the meaning of point (17) of Article 4(1) of Regulation (EU) No 575/2013⁴ of the European Parliament and of the Council; ;

'business day' or 'TARGET2 business day' means any day on which TARGET2 is open for the settlement of payment orders, as set out in Annex V; (*Amendment 30.11.2018*)

'Business Identifier Code (BIC)' means a code as defined by ISO Standard No 9362; (*Amendment 22.11.2010*)

'CAI group' means a group composed of PM Account holders that use the CAI mode; (*Amendment 22.6.2015*)

'CAI group manager' means a CAI group member appointed by the other members of the CAI group to monitor and distribute the available liquidity within the CAI group during the business day;

'CAI mode' means the provision of consolidated account information in relation to PM accounts via the ICM;

'capacity opinion' means a participant-specific opinion that contains an assessment of a participant's legal capacity to enter into and carry out its obligations under these Rules;

'central banks (CBs)' means the Eurosystem CBs and the connected CBs;

'close links' means close links within the meaning of Article 138 of Guideline (EU) 2015/510 (ECB/2014/60); (*Amendment 15.4.2016*)

'connected CB' means a national central bank (NCB), other than a Eurosystem CB, which is connected to TARGET2 pursuant to a specific agreement;

"Contingency Solution" means the SSP functionality that processes very critical and critical payments in contingency, (*Amendment 17.11.2019*)

'credit institution' means (a) a credit institution within the meaning of point (1) of Article 4(1) of Regulation (EU) No 575/2013 and that is subject to supervision by a competent authority; or (b) another credit institution within the meaning of Article 123(2) of the Treaty that is subject to scrutiny of a standard comparable to supervision by a competent authority. (*Amendment 22.6.2015*)

³ OJ L 177, 30.6.2006, p. 1.

⁴ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

‘credit transfer order’ means an instruction by a payer to make funds available to a payee by means of a book entry on a PM account;

‘debit instruction’ means a payment instruction addressed to the SCB and submitted by an AS to debit a settlement bank's PM account or sub-account by the amount specified herein, on the basis of a debit mandate, and to credit either one of the AS's accounts in the PM or another settlement bank's PM account or sub-account;

‘deposit facility’ means a Eurosystem standing facility which counterparties may use to make overnight deposits with an NCB at a pre-specified deposit rate, *(Amendment 19.7.2014)*

‘deposit facility rate’ means the interest rate applicable to the deposit facility, *(Amendment 19.7.2014)*

‘direct debit authorisation’ means a general instruction by a payer to its CB entitling and obliging that CB to debit the payer's account upon receipt of a valid direct debit instruction from a payee, *(Amendment 15.4.2016)*

‘direct debit instruction’ means an instruction from a payee submitted to its CB pursuant to which the CB of the payer debits the payer's account by the amount specified in the instruction, on the basis of a direct debit authorisation;

‘enforcement event’ means, with regard to an AL group member:

- (a) any event of default referred to in Article 34(1);
- (b) any other event of default or event referred to in Article 34(2) in relation to which the Bank of Finland has decided, taking into account the seriousness of the event of default or event, that a pledge should be enforced in accordance with Article 25a(4) and a set-off of claims should be triggered in accordance with Article 26; or
- (c) any decision to suspend or terminate access to intraday credit;

‘entry disposition’ means a payment processing phase during which TARGET2-Suomen Pankki attempts to settle a payment order which has been accepted pursuant to Article 14, by means of specific procedures, as described in Article 20;

‘Eurosystem CB’ means the ECB or the NCB of a Member State that has adopted the euro;

‘European Payments Council's SEPA Instant Credit Transfer (SCT Inst) scheme’ or “SCT Inst scheme” means an automated, open standards scheme providing a set of interbank rules to be complied with by SCT Inst participants, allowing payment services providers in SEPA to offer an automated, SEPA-wide euro instant credit transfer product, *(Amendment 21.11.2021)*

‘event of default’ means any impending or existing event, the occurrence of which may threaten the performance by a participant of its obligations under these Rules or any other rules applying to the relationship between that participant and the Bank of Finland or any other CB, including:

- (a) where the participant no longer meets the access criteria laid down in Article 4 or the requirements laid down in Article 8(1)(a)(i) or, as applicable, the access criteria and/or technical requirements laid down in Annex VIII, or in the Rules on the opening and operation of a T2S Dedicated Cash Account in TARGET2-Suomen Pankki, or in the Rules on the opening and operation of a TIPS Dedicated Cash Account in TARGET2-Suomen Pankki or where, in respect of a participant entitled to access intraday credit

as defined in Title X of these Rules, eligibility as a counterparty for Eurosystem monetary policy operations has been suspended or terminated. (*Amendment 30.11.2018*)

- (b) the opening of insolvency proceedings in relation to the participant;
- (c) the submission of an application relating to the proceedings referred to in point (b);
- (d) the issue by the participant of a written declaration of its inability to pay all or any part of its debts or to meet its obligations arising in relation to intraday credit;
- (e) the entry of the participant into a voluntary general agreement or arrangement with its creditors;
- (f) where the participant is, or is deemed by its CB to be, insolvent or unable to pay its debts;
- (g) where the participant's credit balance on its PM account, T2S DCA, or TIPS DCA, or all or a substantial part of the participant's assets are subject to a freezing order, attachment, seizure or any other procedure that is intended to protect the public interest or the rights of the participant's creditors; (*Amendment 30.11.2018*)
- (h) where participation of the participant in another TARGET2 component system and/or in an ancillary system has been suspended or terminated;
- (i) where any material representation or pre-contractual statement made by the participant or which is implied to have been made by the participant under the applicable law is incorrect or untrue; or
- (j) the assignment of all or a substantial part of the participant's assets;

'group' means:

- a) a composition of credit institutions included in the consolidated financial statements of a parent company where the parent company is obliged to present consolidated financial statements under International Accounting Standard 27 (IAS 27), adopted pursuant to Commission Regulation (EC) No 1126/2008⁵ and consisting of either:
 - (i) a parent company and one or more subsidiaries; or
 - (ii) two or more subsidiaries of a parent company; or
- b) a composition of credit institutions as referred to in subparagraphs (a)(i) or (ii), where a parent company does not present consolidated financial statements in accordance with IAS 27, but may be able to satisfy the criteria defined in IAS 27 for inclusion in consolidated financial statements, subject to the verification of the CB of the direct PM account holder or, in the case of an AL group, the managing NCB; or
- (c) a bilateral or multilateral network of credit institutions that is:
 - (i) organised through a statutory framework determining the affiliation of credit institutions to such a network; or
 - (ii) characterised by self-organised mechanisms of cooperation (promoting, supporting and representing the business interests of its members) and/or economic solidarity going beyond the ordinary cooperation usual between credit institutions

⁵ Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1). (*Amendment 21 November 2021*)

whereby such cooperation and solidarity are permitted by credit institutions' by-laws or articles of incorporation or established by virtue of separate agreements;

and in each case referred to in (c) the ECB's Governing Council has approved an application to be considered as constituting a group; (*Amendment 22.6.2015*)

'Information and Control Module (ICM)' means the SSP module that allows PM account holders to obtain on-line information and gives them the possibility to submit liquidity transfer orders, manage liquidity and, if applicable, initiate backup payment orders or payment orders to the Contingency Solution in a contingency; (*Amendment 17.11.2019*)

'ICM broadcast message' means information made simultaneously available to all or a selected group of PM account holders via the ICM; (*Amendment 30.11.2018*)

'indirect participant' means a credit institution established in the Union or the EEA, which has entered into an agreement with a PM account holder to submit payment orders and receive payments via such PM account holder's PM account, and which has been recognised by a TARGET2 component system as an indirect participant; (*Amendment 30.11.2018*)

'insolvency proceedings' means insolvency proceedings within the meaning of Article 2(j) of the Settlement Finality Directive;

'instant payment order' means, in line with the European Payments Council's SEPA Instant Credit Transfer (SCT Inst) scheme, a payment instruction which can be executed 24 hours a day any calendar day of the year, with immediate or close to immediate processing and notification to the payer, and includes (i) the TIPS DCA to TIPS DCA instant payment orders, (ii) TIPS DCA to TIPS AS technical account instant payment orders, (iii) TIPS AS technical account to TIPS DCA instant payment orders and (iv) TIPS AS technical account to TIPS AS technical account instant payment orders; (*Amendment 21.11.2021*)

'instructing participant' means a TARGET2 participant that has initiated a payment order;

'intraday credit' means credit extended for a period of less than one business day;

'investment firm' means an investment firm within the meaning of chapter 1, section 13, paragraph 1 of the Investment Firms Act (747/2012), excluding the institutions specified in chapter 1, sections 2 to 3, if the foreign investment firm is authorised within the European Economic Area, provided that the investment firm in question is:

- (a) authorised and supervised by a recognised competent authority, which has been designated as such under Directive 2014/65/EU; and
- (b) entitled to carry out the activities referred to in section 15 ; subsections 2,3,6 and 7 of the Investment Firms Act

'liquidity transfer order' means a payment order, the main purpose of which is to transfer liquidity between different accounts of the same participant or within a CAI or AL group;

'Linked PM account' means the PM account with which a TIPS DCA is associated for the purpose of liquidity management and payment of TIPS fees; (*Amendment 30.11.2018*)

'Main PM account' means the PM Account to which a T2S DCA is linked and to which any remaining balance will be automatically repatriated at the end of the day; (*Amendment 30.11.2018*)

‘managing NCB’ means the AL NCB of the TARGET2 component system in which the AL group manager participates;

‘marginal lending facility’ means a Eurosystem standing facility which counterparties may use to receive overnight credit from a Eurosystem CB at the pre-specified marginal lending rate;

‘marginal lending rate’ means the interest rate applicable to the marginal lending facility;

‘multi-addressee access’ means the facility by which branches or credit institutions established in the Union or the EEA can access the relevant TARGET2 component system by submitting payment orders and/or receiving payments directly to and from the TARGET2 component system; this facility authorises these entities to submit their payment orders through the PM account holder’s PM account without that participant’s involvement; (*Amendment 30.11.2018*)

‘network service provider’ means the undertaking appointed by the ECB’s Governing Council to provide computerised network connections for the purpose of submitting payment messages in TARGET2;

‘non-settled payment order’ means a payment order that is not settled on the same business day as that on which it is accepted

‘participant’ (or ‘direct participant’) means an entity that holds at least one PM account (PM account holder) and/or one T2S Dedicated Cash Account (T2S DCA holder) and/or one TIPS Dedicated Cash Account (TIPS DCA holder) with a Eurosystem CB; (*Amendment 30.11.2018*).

‘payee’, except where used in Article 43, means a TARGET2 participant whose PM account will be credited as a result of a payment order being settled;

‘payer’, except where used in Article 43, means a TARGET2 participant whose PM account will be debited as a result of a payment order being settled;

‘payment order’ means a credit transfer order, a liquidity transfer order, a direct debit instruction, a PM to T2S DCA liquidity transfer order, a T2S DCA to PM liquidity transfer order, a T2S DCA to T2S DCA liquidity transfer order, a PM to TIPS DCA liquidity transfer order, a TIPS DCA to PM liquidity transfer order, a TIPS AS technical account to TIPS DCA liquidity transfer order, a TIPS DCA to TIPS AS technical account liquidity transfer order, an instant payment order, or a positive recall answer; (*Amendment 21.11.2021*)

‘Payments Module (PM)’ means an SSP module in which payments of PM account holders are settled on PM accounts;

‘PM account’ means an account held by a TARGET2 participant in the PM with a CB which is necessary for such TARGET2 participant to:

- (a) submit payment orders or receive payments via TARGET2; and
- (b) settle such payments with such CB;

‘PM to T2S DCA liquidity transfer order’ means the instruction to transfer a specified amount of funds from a PM account to a T2S DCA; (*Amendment 30.11.2018*)

‘PM to TIPS DCA liquidity transfer order’ means the instruction to transfer a specified amount of funds from a PM account to a TIPS DCA; (*Amendment 30.11.2018*)

‘positive recall answer’ means, in line with the SCT Inst scheme, a payment order initiated by the receiver of a recall request, in response to a recall request, for the benefit of the sender

of that recall request, *(Amendment 30.11.2018)*

‘public sector body’ means an entity within the ‘public sector’, the latter term as defined in Article 3 of Council Regulation (EC) No 3603/93 of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b(1) of the Treaty⁶

‘reachable party’ means an entity which: (a) holds a BIC; (b) is designated as a reachable party by a TIPS DCA holder or by an ancillary system; (c) is a correspondent, customer or branch of a TIPS DCA holder or a participant of an ancillary system, or a correspondent, customer, or branch of a participant of an ancillary system; and (d) is addressable through the TIPS Platform and is able to submit instant payment orders and receive instant payment orders either via the TIPS DCA holder or the ancillary system or, if so authorised by the TIPS DCA holder or by the ancillary system, directly.⁷; *(Amendment 21.11.2021)*

‘recall request’ means, in line with the SCT Inst scheme, a message from a TIPS DCA holder requesting reimbursement of a settled instant payment order, *(Amendment 30.11.2018)*

‘settlement bank’ means a participant whose PM account or sub-account is used to settle AS payment instructions;

‘settlement central bank (SCB)’ means a Eurosystem CB holding a settlement bank’s PM account;

‘Settlement Finality Directive’ means Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems⁷;

‘Single Shared Platform (SSP)’ means the single technical platform infrastructure provided by the SSP-providing CBs;

‘SSP-providing CBs’ means the Deutsche Bundesbank, the Banque de France and the Banca d’Italia in their capacity as the CBs building and operating the SSP for the Eurosystem’s benefit;

‘static data collection form’ means a form developed by the Bank of Finland for the purpose of registering applicants for TARGET2-Suomen Pankki services and registering any changes in relation to the provision of such services;

‘suspension’ means the temporary freezing of the rights and obligations of a participant for a period of time to be determined by the Bank of Finland;

‘TARGET Instant Payment Settlement (TIPS) service’ means the settlement in central bank money of instant payment orders on the TIPS Platform; *(Amendment 30.11.2018)*

‘TARGET2-Suomen Pankki’ means the TARGET2 component system of the Bank of Finland;

‘TARGET2’ means the entirety resulting from all TARGET2 component systems of the CBs;

‘TARGET2 component system’ means any of the CBs’ real-time gross settlement (RTGS) systems that form part of TARGET2;

‘TARGET2 CUG’ means a subset of the network service provider’s customers grouped for the purpose of their use of the relevant services and products of the network service provider when accessing the PM;

‘TARGET2 participant’ means any participant in any TARGET2 component system;

⁶ OJ L 332, 31.12.1993, p. 1.

⁷ OJ L 166, 11.6.1998, p. 45.

‘T2S Dedicated Cash Account (T2S DCA)’ means an account held by a T2S DCA holder, opened in TARGET2-Suomen Pankki and used for cash payments in relation to securities settlement in T2S; *(Amendment 22.6.2015)*

‘technical malfunction of TARGET2’ means any difficulty, defect or failure in the technical infrastructure and/or the computer systems used by TARGET2-Suomen Pankki, or any other event that makes it impossible to execute and complete the same business-day processing of payments in TARGET2-Suomen Pankki. *(Amendment 30.11.2018)*

‘TIPS ancillary system technical account (TIPS AS technical account)’ means an account held by an ancillary system or a CB on an ancillary system's behalf in the CB's TARGET2 component system for use by the ancillary system for the purpose of settling instant payments in its own books, *(Amendment 21.11.2021)*

‘TIPS AS technical account to TIPS DCA liquidity transfer order’ means the instruction to transfer a specified amount of funds from a TIPS AS technical account to a TIPS DCA to defund the TIPS DCA holder's position (or the position of another participant of the ancillary system) in the books of the ancillary system *(Amendment 21.11.2021)*

‘TIPS DCA to PM liquidity transfer order’ means the instruction to transfer a specified amount of funds from a TIPS DCA to a PM account, *(Amendment 30.11.2018)*

‘TIPS Dedicated Cash Account (TIPS DCA)’ means an account held by a TIPS DCA holder, opened in TARGET2-Suomen Pankki, and used for the provision of instant payment services to its customers, *(Amendment 30.11.2018)*

‘TIPS DCA to TIPS AS technical account liquidity transfer order’ means the instruction to transfer a specified amount of funds from a TIPS DCA to a TIPS AS technical account to fund the TIPS DCA holder's position (or the position of another participant of the ancillary system) in the books of the ancillary system *(Amendment 21.11.2021)*

‘TIPS Platform’ means the single technical platform infrastructure provided by the TIPS Platform-providing NCBs, *(Amendment 30.11.2018)*

‘TIPS Platform-providing NCBs’ means the Deutsche Bundesbank, the Banco de España, the Banque de France and the Banca d'Italia in their capacity as the CBs building and operating the TIPS Platform for the Eurosystem's benefit, *(Amendment 30.11.2018)*

‘User Detailed Functional Specifications (UDFS)’ means the most up-to-date version of the UDFS, which is the technical documentation that details how a participant interacts with TARGET2. *(Amendment 22.11.2010)*

Article 1a Scope

The present Rules govern the relationship between the relevant euro area NCB and its PM account holder as far the opening and the operation of the PM account is concerned.
(Amendment 22.6.2015)

Article 2 Annexes

1. The following Annexes form an integral part of these Rules:

Annex I: Technical specifications for the processing of payment orders

Annex II: TARGET2 compensation scheme

Annex III: Terms of reference for capacity and country opinions

Annex IV: Business continuity and contingency procedures

Annex V: Operating schedule

Annex VI: Fee schedule and invoicing

Annex VII: Aggregated liquidity agreement

Annex VIII: Supplemental and Modified harmonised conditions for participation in TARGET2 using internet-based access

Annex IX: Settlement Procedures for Ancillary Systems

Annex X: Requirements regarding information security management and business continuity management (Amendment 21.11.2021)

In the event of any conflict or inconsistency between the content of any annex and the content of any other provision in these Rules, the latter shall prevail.

Article 3 General description of TARGET2

1. TARGET2 provides real-time gross settlement for payments in euro, with settlement in central bank money across PM accounts, T2S DCAs for the purpose of securities transactions and TIPS DCAs for the purpose of instant payments.
2. The following transactions are processed in TARGET2-Suomen Pankki:
 - a) transactions directly resulting from or made in connection with Eurosystem monetary policy operations;
 - b) settlement of the euro leg of foreign exchange operations involving the Eurosystem;
 - c) settlement of euro transfers resulting from transactions in cross-border large-value netting systems;
 - d) settlement of euro transfers resulting from transactions in euro retail payment systems of systemic importance;
 - e) settlement of the cash leg of securities transactions;
 - f) T2S DCA to T2S DCA liquidity transfer orders, T2S DCA to PM liquidity transfer orders and PM to T2S DCA liquidity transfer orders;
 - fa) instant payment orders;

- fb) positive recall answers;
 - fc) TIPS DCA to PM liquidity transfer orders and PM to TIPS DCA liquidity transfer orders;
 - fd) TIPS DCA to TIPS AS technical account liquidity transfer orders and TIPS AS technical account to TIPS DCA liquidity transfer orders; and¹; (*Amendment 21.11.2021*)
 - g) any other transactions in euro addressed to TARGET2 participants.
3. TARGET2 provides real-time gross settlement for payments in euro, with settlement in central bank money across PM accounts, T2S DCAs and TIPS DCAs. TARGET2 is established and functions on the basis of the SSP through which payment orders are submitted and processed and through which payments are ultimately received in the same technical manner. As far as the technical operation of the T2S DCAs is concerned, TARGET2 is technically established and functions on the basis of the T2S Platform. As far as the technical operation of the TIPS DCAs and TIPS AS technical accounts is concerned, TARGET2 is technically established and functions on the basis of the TIPS Platform. (*Amendment 21.11.2021*)
 4. The Bank of Finland is the provider of services under these Rules. Acts and omissions of the SSP-providing NCBs shall be considered acts and omissions of the Bank of Finland, for which it shall assume liability in accordance with Article 31 below. Participation pursuant to these Rules shall not create a contractual relationship between PM account holders and the SSP-providing NCBs when any of the latter acts in that capacity. Instructions, messages or information which a PM account holder receives from, or sends to, the SSP in relation to the services provided under these Rules are deemed to be received from, or sent to, the Bank of Finland.
 5. TARGET2 is legally structured as a multiplicity of payment systems composed of all the TARGET2 component systems, which are designated as "systems" under the national laws implementing the Directive 98/26/EC. TARGET2-Suomen Pankki is designated as a "system" under the Act on Certain Conditions of Securities and Currency Trading as well as Settlement Systems (1084/1999).
 6. Participation in TARGET2 takes effect via participation in a TARGET2 component system. These Rules describe the mutual rights and obligations of PM account holders in TARGET2-Suomen Pankki and the Bank of Finland. The rules on the processing of payment orders under these Rules (Title IV and Annex I) refer to all payment orders submitted or payments received by any PM account holder. (*Amendment 30.11.2018*)

TITLE II - PARTICIPATION

Article 4 Access criteria

1. The following types of entities are eligible for direct participation in TARGET2-Suomen Pankki:
 - a) credit institutions established in the Union or the EEA, including when they act through a branch established in the Union or the EEA; (*Amendment 30.11.2018*)
 - b) credit institutions established outside the EEA, provided that they act through a branch established in the Union or the EEA; and (*Amendment 30.11.2018*)
 - c) NCBs of EU Member States and the ECB, provided that the entities referred to in points (a) and (b) are not subject to restrictive measures adopted by the Council of the European Union or Member States pursuant to Article 65(1)(b), Article 75 or Article 215 of the Treaty on the Functioning of the European Union, the implementation of which, in the view of Bank of Finland after informing the ECB, is incompatible with the smooth functioning of TARGET2.

2. The Bank of Finland may, at its discretion, also admit the following entities as direct participants:
 - a) treasury departments of central or regional governments of Member States; (*Amendment 17.11.2019*)
 - b) public sector bodies of Member States authorised to hold accounts for customers;
 - c)
 - i. investment firms established in the Union or the EEA including when they act through a branch established in the Union or the EEA; and
 - ii. investment firms established outside the EEA, provided that they act through a branch established in the Union or the EEA.; (*Amendment 17.11.2019*)
 - d) entities managing ancillary systems and acting in that capacity; and
 - e) credit institutions or any of the entities of the types listed in points (a) to (d), in both cases where these are established in a country with which the Union has entered into a monetary agreement allowing access by any of such entities to payment systems in the European Community, subject to the conditions set out in the monetary agreement and provided that the relevant legal regime applying in the country is equivalent to the relevant Union legislation. (*Amendment 30.11.2018*)

3. Electronic money institutions within the meaning of section 5, subsection 1, paragraph 2 b of the Payment Institutions Act (297/2010) are not entitled to participate in TARGET2-Suomen Pankki.

Article 5 Direct participants

1. PM account holders in TARGET2-Suomen Pankki are direct participants and shall comply with the requirements set out in Article 8(1) and (2). They shall have at least one PM account with the Bank of Finland. PM account holders that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement shall be and shall remain reachable in the TIPS Platform at all times, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder (*Amendment 21.11.2021*)
2. PM account holders may designate addressable BIC holders, regardless of their place of establishment. PM account holders may designate addressable BIC holders that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement only if such entities are reachable in the TIPS Platform, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder (*Amendment 21.11.2021*)
3. PM account holders may designate entities as indirect participants in the PM, provided that the conditions laid down in Article 6 are met. PM account holders may designate as indirect participants entities that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement only if such entities are reachable in the TIPS Platform, either as a TIPS DCA holder with the Bank of Finland or as a reachable party via a TIPS DCA holder. (*Amendment 21.11.2021*)
4. Multi-addressee access through branches may be provided as follows:
 - a) a credit institution within the meaning of Article 4(1)(a) or (b), which has been admitted as a PM account holder may grant access to its PM account to one or more of its branches established in the Union or the EEA in order to submit payment orders and/or receive payments directly, provided that the Bank of Finland has been informed accordingly. (*Amendment 30.11.2018*)
 - b) where a branch of a credit institution has been admitted as a PM account holder, the other branches of the same legal entity and/or its head office, in both cases provided that they are established in the Union or the EEA, may access the branch's PM account, provided that it has informed the Bank of Finland. (*Amendment 30.11.2018*)

Article 6 Indirect participants

1. Credit institutions established in the Union or the EEA may each enter into a contract with one PM account holder that is either a credit institution within the meaning of Article 4(1)(a) or (b), or a CB, in order to submit payment orders and/or receive payments, and to settle them via the PM account of that direct participant. TARGET2-Suomen Pankki shall recognise indirect participants by registering such indirect participation in the TARGET2 directory, the latter as described in Article 9. (*Amendment 30.11.2018*)
2. Where a PM account holder, which is a credit institution within the meaning of Article 4(1)(a) or (b), and an indirect participant belong to the same group, the PM account holder may expressly authorise the indirect participant to use the PM account holder's PM account directly to submit payment orders and/or receive payments by way of group-related multi-addressee access (*Amendment 22.6.2015*).

Article 7 PM account holder's responsibility

1. For the avoidance of doubt, payment orders submitted or payments received by indirect participants pursuant to Article 6, and by branches under Article 5(4), shall be deemed to have been submitted or received by the PM account holder itself.
2. The PM account holder shall be bound by such payment orders, regardless of the content of, or any non-compliance with, the contractual or other arrangements between that PM account holder and any of the entities referred to in paragraph 1.
3. A PM account holder accepting its PM account to be designated as the Main PM account shall be bound by any invoices related to the opening and operation of each T2S DCA linked to that PM account, as set out in Annex VI, regardless of the content of, or any non-compliance with, the contractual or other arrangements between that PM account holder and the T2S DCA holder. *(Amendment 30.11.2018)*
4. A Main PM account holder shall be bound by any invoices, as set out in Annex VI, for the linkage to each T2S DCA to which the PM account is linked. *(Amendment 30.11.2018)*
5. A PM account holder that also holds a T2S DCA used for auto-collateralisation shall be liable for any penalties levied in accordance with section 9(d) of *Rules on auto-collateralisation operations*. *(Amendment 30.11.2018)*
6. A PM account holder accepting its PM account to be designated as the Linked PM account shall be bound by any invoices related to the opening and operation of each TIPS DCA linked to that PM account, as set out in Annex VI, regardless of the content of, or any non-compliance with, the contractual or other arrangements between that PM account holder and the TIPS DCA holder. A Linked PM account may be linked to a maximum of 10 TIPS DCAs. *(Amendment 30.11.2018)*
7. The holder of a Linked PM account shall have an overview of the liquidity available on the TIPS DCAs linked to that PM account and ensure the TIPS DCA holders are aware of their responsibility to manage that liquidity. *(Amendment 30.11.2018)*

Article 8 Application procedure

1. To join TARGET2-Suomen Pankki, applicant participants shall:
 - (a) fulfil the following technical requirements:
 - (i) install, manage, operate and monitor and ensure the security of the necessary IT infrastructure to connect to SSP and submit payment orders to it. In doing so, applicant participants may involve third parties, but retain sole liability. In particular, applicant participants shall enter into an agreement with the network service provider to obtain the necessary connection and admissions, in accordance with the technical specifications in Annex I; and
 - (ii) have passed the tests required by the Bank of Finland; and
 - b) fulfil the following legal requirements:
 - (i) provide a capacity opinion in the form specified in Annex III, unless the information and representations to be provided in such capacity opinion have already been obtained by the Bank of Finland in another context; and

- (ii) for the entities referred to in Article 4(1)(b) and Article 4(2)(c)(ii) provide a country opinion in the form specified in Annex III, unless the information and representations to be provided in such country opinion have already been obtained by the Bank of Finland in another context. *(Amendment 17.11.2019)*
2. Applicants shall apply in writing to the Bank of Finland, as a minimum enclosing the following documents/information:
 - a) completed static data collection forms as provided by the Bank of Finland,
 - b) the capacity opinion, if required by the Bank of Finland, and
 - c) the country opinion, if required by the Bank of Finland.
3. The Bank of Finland may also request any additional information it deems necessary to decide on the application to participate.
4. The Bank of Finland shall reject the application to participate if:
 - a) access criteria referred to in Article 4 are not met;
 - b) one or more of the participation criteria referred to in paragraph 1 are not met; and/or
 - c) in the Bank of Finland's assessment, such participation would endanger the overall stability, soundness and safety of TARGET2-Suomen Pankki or of any other TARGET2 component system, or would jeopardise the Bank of Finland's performance of its tasks as described in the Act on the Bank of Finland (214/1998) and the Statute of the European System of Central Banks and of the European Central Bank, or poses risks on the grounds of prudence. *(Amendment 21.11.2011)*
5. The Bank of Finland shall communicate its decision on the application to participate to the applicant within one month of the Bank of Finland's receipt of the application to participate. Where the Bank of Finland requests additional information pursuant to paragraph 3, the decision shall be communicated within one month of the Bank of Finland's receipt of this information from the applicant. Any rejection decision shall contain reasons for the rejection.

Article 9 TARGET2 directory

1. The TARGET2 directory is the database of BICs used for the routing of payment orders addressed to:
 - a) PM account holder and their branches with multi-addressee access; *(Amendment 22.6.2015)*
 - b) indirect participants of TARGET2, including those with multi-addressee access; and
 - c) addressable BIC holders of TARGET2.It shall be updated weekly.
2. Unless otherwise requested by the PM account holder, its BIC(s) shall be published in the TARGET2 directory. *(Amendment 22.6.2015)*
3. PM account holder may only distribute the TARGET2 directory to their branches and entities with multi-addressee access. *(Amendment 22.6.2015)*
4. Entities specified in paragraph 1(b) and (c) shall only use their BIC in relation to one PM account holder. *(Amendment 22.6.2015)*

5. PM account holders acknowledge that the Bank of Finland and other CBs may publish Pm account holders' names and BICs. In addition, names and BICs of indirect participants registered by PM account holders may be published and PM account holders shall ensure that indirect participants have agreed to such publication. *(Amendment 22.6.2015)*

TITLE III - OBLIGATIONS OF THE PARTIES

Article 10 Obligations of the Bank of Finland and the participants

1. The Bank of Finland shall offer the services described in Title IV. Save where otherwise provided in these Rules or required by law, the Bank of Finland shall use all reasonable means within its power to perform its obligations under these Rules, without guaranteeing a result.
2. Participants shall pay to the Bank of Finland the fees laid down in Annex VI.
3. Participants shall ensure that they are connected to TARGET2-Suomen Pankki on business days, in accordance with the operating schedule in Annex V.
4. The participant represents and warrants to the Bank of Finland that the performance of its obligations under these Rules does not breach any law, regulation or by-law applicable to it or any agreement by which it is bound.

Article 11 Cooperation and information exchange

1. In performing their obligations and exercising their rights under these Rules, the Bank of Finland and participants shall cooperate closely to ensure the stability, soundness and safety of TARGET2-Suomen Pankki. They shall provide each other with any information or documents relevant for the performance of their respective obligations and the exercise of their respective rights under these Rules, without prejudice to any banking secrecy obligations.
2. The Bank of Finland shall establish and maintain a system support desk to assist participants in relation to difficulties arising in connection with system operations.
3. Up-to-date information on the SSP's operational status shall be available on the TARGET2 Information System (T2IS) on a dedicated webpage on the ECB's website. The T2IS may be used to obtain information on any event affecting the normal operation of TARGET2. *(Amendment 30.11.2018)*
4. The Bank of Finland may either communicate messages to participants by means of an ICM broadcast or by any other means of communication.
 - 4a. The holder of the linked PM account shall be responsible for informing in a timely manner their TIPS DCA holders of any relevant ICM broadcast message, including those related to the suspension or termination of any TIPS DCA holder's participation in TARGET2-Suomen Pankki. *(Amendment 30.11.2018)*
5. Participants are responsible for the timely update of existing static data collection forms and the submission of new static data collection forms to the Bank of Finland. Participants are responsible for verifying the accuracy of information relating to them that is entered into TARGET2-Suomen Pankki by the Bank of Finland.
6. The Bank of Finland shall be deemed to be authorised to communicate to the SSP-providing CBs any information relating to participants which the SSP-providing CBs may need in their



role as service administrators, in accordance with the contract entered into with the network service provider.

7. Participants shall inform the Bank of Finland about any change in their legal capacity and relevant legislative changes affecting issues covered by the country opinion relating to them.
8. Participants shall inform the Bank of Finland of:
 - a) any new indirect participant, addressable BIC holder or entity with multi-addressee access which they register; and
 - b) any changes to the entities listed in paragraph (a).
9. Participants shall immediately inform the Bank of Finland if an event of default occurs in relation to themselves or if they are subject to crisis prevention measures or crisis management measures within the meaning of Directive 2014/59/EU of the European Parliament and the Council⁸ (*Amendment 17.11.2019*)

⁸ Directive 2014/59/EU of the European Parliament and the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).

TITLE IV - MANAGEMENT OF PM ACCOUNTS AND PROCESSING OF PAYMENT ORDERS

Article 12 Opening and management of PM accounts

1. The Bank of Finland shall open and operate at least one PM account for each participant. Upon request by a participant acting as a settlement bank, the Bank of Finland shall open one or more sub-accounts in TARGET2-Suomen Pankki to be used for dedicating liquidity.
2. PM accounts and their sub-accounts shall either be remunerated at zero per cent or the deposit facility rate, whichever is lower, unless they are used to hold any of the following:
 - a. minimum reserves
 - b. excess reserves
 - c. government deposits as defined in Article 2 (point (5) of Guideline (EU) 2019/671 (ECB/2019/7).

In the case of minimum reserves, the calculation and payment of the remuneration of holdings shall be governed by Council Regulation (EC) No 2531/98⁹ and Regulation EU 2021/378 of the European Central Bank (ECB/2021/1)¹⁰. In the case of excess reserves, the calculation and payment of remuneration of holdings shall be governed by Decision (EU) 2019/1743 (ECB/2019/31)¹¹. In the case of government deposits, the remuneration of holdings shall be governed by the provisions relating to those government deposits as set out in Article 4 of Guideline (EU) 2019/671 (ECB/2019/7)¹². (*Amendment 2 May 2022*)

3. Participants shall use the ICM to obtain information on their liquidity position. The Bank of Finland shall provide a daily statement of accounts to any participant that has opted for such service.

Article 13 Types of payment orders

The following are classified as payment orders for the purposes of TARGET2:

- a) credit transfer orders;
- b) direct debit instructions carried out under a direct debit authorisation;
- c) liquidity transfer orders; (*Amendment 30.11.2018*)
- d) PM to T2S DCA liquidity transfer orders; and; (*Amendment 30.11.2018*)
- e) PM to TIPS DCA liquidity transfer orders (*Amendment 30.11.2018*)

Article 14 Acceptance and rejection of payment orders

1. Payment orders submitted by participants are deemed accepted by the Bank of Finland if:
 - a) the payment message complies with the rules established by the network service provider;

⁹ Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank (OJ L 318, 27.11.1998, p. 1)..

¹⁰ Regulation (EU) 2021/378 of the European Central Bank of 22 January 2021 on the application of minimum reserve requirements (ECB/2021/1) (OJ L 73, 3.3.2021, p. 1)..

¹¹ Decision (EU) 2019/1743 of the European Central Bank of 15 October 2019 on the remuneration of holdings of excess reserves and of certain deposits (ECB/2019/31) (OJ L 267, 21.10.2019, p.12)

¹² Guideline (EU) 2019/671 of the European Central Bank of 9 April 2019 on domestic asset and liability management operations by the national central banks (ECB/2019/7) (OJ L 113, 29.4.2019, p.11)

- b) the payment message complies with the formatting rules and conditions of TARGET2-Suomen Pankki and passes the double-entry check described in Annex I; and
 - c) in cases where a payer or a payee has been suspended, the suspended participant's CB's explicit consent has been obtained.
2. The Bank of Finland shall immediately reject any payment order that does not fulfil the conditions laid down in paragraph 1. The Bank of Finland shall inform the participant of any rejection of a payment order, as specified in Annex I.
3. The SSP attaches its timestamp for the processing of payment orders in the sequence of their receipt. *(Amendment 30.11.2018)*

Article 15 Priority rules

1. Instructing participants shall designate every payment order as one of the following:
 - a) normal payment order (priority class 2);
 - b) urgent payment order (priority class 1); or
 - c) highly urgent payment order (priority class 0).

If a payment order does not indicate the priority, it shall be treated as a normal payment order.

2. Highly urgent payment orders may only be designated by:
 - (a) CBs; and
 - (b) participants, in cases of payments to and from CLS Bank International with the exception of payments related to the CLS CCP and the CLSNow services, and liquidity transfers in relation to ancillary system settlement using the ASI.

All payment instructions submitted by an ancillary system through the ASI to debit or credit the participants' PM accounts and all PM to T2S DCA liquidity transfer orders and PM to TIPS DCA liquidity transfer orders submitted shall be deemed to be highly urgent payment orders. *(Amendment 30.11.2018)*

3. In the case of urgent and normal payment orders, the payer may change the priority via the ICM with immediate effect. It shall not be possible to change the priority of a highly urgent payment.

Article 16 Liquidity limits

1. A participant may limit the use of available liquidity for payment orders in relation to other TARGET2 participants, except any of the CBs, by setting bilateral or multilateral limits. Such limits may only be set in relation to normal payment orders.
2. Limits may only be set by or in relation to an AL group in its entirety. Limits shall not be set in relation to either a single PM account of an AL group member or by AL group members in relation to each other.
3. By setting a bilateral limit, a participant instructs the Bank of Finland that an accepted payment order shall not be settled if the sum of its outgoing normal payment orders to another TARGET2 participant's PM account minus the sum of all incoming urgent and normal payments from such TARGET2 participant's PM account would exceed this bilateral limit.

4. A participant may set a multilateral limit for any relationship that is not subject to a bilateral limit. A multilateral limit may only be set if the participant has set at least one bilateral limit. If a participant sets a multilateral limit, it instructs the Bank of Finland that an accepted payment order shall not be settled if the sum of its outgoing normal payment orders to all TARGET2 participants' PM accounts in relation to which no bilateral limit has been set, minus the sum of all incoming urgent and normal payments from such PM accounts would exceed this multilateral limit.
5. The minimum amount of any of the limits shall be EUR 1 million. A bilateral or a multilateral limit with an amount of zero shall be treated as if no limit has been set. Limits between zero and EUR 1 million are not possible.
6. Limits may be changed in real time with immediate effect or with effect from the next business day via the ICM. If a limit is changed to zero, it shall not be possible to change it again on the same business day. The setting of a new bilateral or multilateral limit shall only be effective from the next business day.

Article 17 Liquidity reservation facilities

1. Participants may reserve liquidity for highly urgent or urgent payment orders via the ICM.
2. The AL group manager may only reserve liquidity for the AL group in its entirety. Liquidity shall not be reserved for single accounts within an AL group.
3. By requesting to reserve a certain amount of liquidity for highly urgent payment orders, a participant instructs the Bank of Finland only to settle urgent and normal payment orders if there is available liquidity after the amount reserved for highly urgent payment orders has been deducted.
4. By requesting to reserve a certain amount of liquidity for urgent payment orders, a participant instructs the Bank of Finland only to settle normal payment orders if there is available liquidity after the amount reserved for urgent and highly urgent payment orders has been deducted.
5. After receipt of the reservation request the Bank of Finland shall check whether the amount of liquidity on the participant's PM account is sufficient for the reservation. If this is not the case, only the liquidity available on the PM account shall be reserved. The rest of the requested liquidity reservation shall be reserved if additional liquidity becomes available.
6. The level of the liquidity reservation may be changed. Participants may make a request via the ICM to reserve new amounts with immediate effect or with effect from the next business day.

Article 17a Standing instructions for liquidity reservation and dedication of liquidity

1. Participants may predefine the default amount of liquidity reserved for highly urgent or urgent payment orders via the ICM. Such standing instruction or a change to such instruction shall take effect from the next business day.
2. Participants may predefine via the ICM the default amount of liquidity set aside for ancillary system settlement. Such standing instruction or a change to such instruction shall take effect from the next business day. Participants shall be deemed to have instructed the Bank of Finland to dedicate liquidity on their behalf if the relevant ancillary system so requests.

Article 18 Predetermined settlement times

1. Instructing participants may predetermine the settlement time of the payment orders within a business day by using the Earliest Debit Time Indicator or the Latest Debit Time Indicator.
2. When the Earliest Debit Time Indicator is used, the accepted payment order is stored and only entered into the entry disposition at the indicated time.
3. When the Latest Debit Time Indicator is used, the accepted payment order shall be returned as non-settled if it cannot be settled by the indicated debit time. 15 minutes prior to the defined debit time, the instructing participant shall be sent an automatic notification via the ICM. Instructing participant may also use the Latest Debit Time Indicator solely as a warning indicator. In such cases, the payment order concerned shall not be returned.
4. Instructing participants can change the Earliest Debit Time Indicator and the Latest Debit Time Indicator via the ICM.
5. Further technical details are contained in Annex I.

Article 19 Payment orders submitted in advance

1. Payment orders may be submitted up to five business days before the specified settlement date (warehoused payment orders).
2. Warehoused payment orders shall be accepted and entered into the entry disposition on the date specified by the instructing participant at the start of daytime processing, as referred to in Annex V. They shall be placed in front of payment orders of the same priority.
3. Articles 15(3), 22(2) and 29(1)(a) shall apply mutatis mutandis to warehoused payment orders.

Article 20 Settlement of payment orders in the entry disposition

1. Unless instructing participants have indicated the settlement time in the manner described in Article 18, accepted payment orders shall be settled immediately or at the latest by the end of the business day on which they were accepted, provided that sufficient funds are available on the payer's PM account and taking into account any liquidity limits and liquidity reservations as referred to in Articles 16 and 17.
2. Funding may be provided by:
 - (a) the available liquidity on the PM account; or
 - (b) incoming payments from other TARGET2 participants, subject to the applicable optimisation procedures.
3. For highly urgent payment orders the 'first in, first out' (FIFO) principle shall apply. This means that highly urgent payment orders shall be settled in chronological order. Urgent and normal payment orders shall not be settled for as long as highly urgent payment orders are queued.
4. For urgent payment orders the FIFO principle shall also apply. Normal payment orders shall not be settled if urgent and highly urgent payment orders are queued.
5. By derogation from paragraphs 3 and 4, payment orders with a lower priority (or of the same priority but accepted later) may be settled before payment orders with a higher priority (or of the same priority which were accepted earlier), if the payment orders with a lower priority

would net out with payments to be received and result on balance in a liquidity increase for the payer.

6. Normal payment orders shall be settled in accordance with the FIFO by-passing principle. This means that they may be settled immediately (independently of other queued normal payments accepted at an earlier time) and may therefore breach the FIFO principle, provided that sufficient funds are available.
7. Further details on the settlement of payment orders in the entry disposition are contained in Annex I.

Article 21 Settlement and return of queued payment orders

1. Payment orders that are not settled immediately in the entry disposition shall be placed in the queues in accordance with the priority to which they were designated by the relevant participant, as referred to in Article 15.
2. To optimise the settlement of queued payment orders, the Bank of Finland may use the optimisation procedures described in Annex I.
3. Except for highly urgent payment orders, the payer may change the queue position of payment orders in a queue (i.e.reorder them) via the ICM. Payment orders may be moved either to the front or to the end of the respective queue with immediate effect at any time during daytime processing, as referred to in Annex V.
4. At the request of a payer, the Bank of Finland or, in the case of an AL group, the CB of the AL group manager may decide to change the queue position of a highly urgent payment order (except for highly urgent payment orders in the context of settlement procedures 5 and 6) provided that this change would not affect the smooth settlement by ancillary systems in TARGET2 or would not otherwise give rise to systemic risk.
5. Liquidity transfer orders initiated in the ICM shall be immediately returned as non-settled if there is insufficient liquidity. Other payment orders shall be returned as non-settled if they cannot be settled by the cut-off times for the relevant message type, as specified in Annex V.

Article 22 Entry of payment orders into the system and their irrevocability

1. For the purposes of the first sentence of Article 3(1) of the Settlement Finality Directive and sections 3, 5, 6 and 8 as well as section 13, subsection 1, of the Act on Certain Conditions of Securities and Currency Trading as well as Settlement Systems (1084/1999), payment orders are deemed entered into TARGET2-Suomen Pankki at the moment that the relevant participant's PM account is debited.
2. Payment orders may be revoked until they are entered into TARGET2-Suomen Pankki in accordance with paragraph 1. Payment orders that are included in an algorithm, as referred to in Annex I, may not be revoked during the period that the algorithm is running.
3. By derogation from paragraphs 1 and 2 above, when the Bank of Finland acts as settlement central bank of an ancillary system using the Ancillary System Interface, debit instructions shall be deemed to be entered in TARGET2-Suomen Pankki at the moment and irrevocable from the moment that they are accepted by the Bank of Finland. Acceptance by the Bank of Finland is subject to Article 14, with the exception that the debit instructions shall comply with the formatting rules and conditions of the ASCB's TARGET2 component system and the settlement bank shall be on the list of settlement banks.

TITLE V - LIQUIDITY POOLING

Article 23 Liquidity pooling modes

The Bank of Finland shall offer a consolidated account information (CAI) mode and an aggregated liquidity (AL) mode.

Article 24 Consolidated account information mode

1. The following may use the CAI mode:
 - (a) a credit institution and/or its branches (whether or not such entities participate in the same TARGET2 component system), provided that the entities concerned have several PM accounts identified by different BICs; or
 - (b) two or more credit institutions which belong to the same group and/or their branches, each having one or more PM accounts identified by different BICs.
2.
 - (a) Under the CAI mode, each member of the CAI group and their respective CBs are provided with the list of PM accounts of the group members and the following additional information consolidated at the level of the CAI group:
 - (i) intraday credit lines (if applicable);
 - (ii) balances, including balances on sub-accounts;
 - (iii) turnover;
 - (iv) settled payments; and
 - (v) queued payment orders.
 - (b) The CAI group manager and its respective CB shall have access to information on each of the above items in relation to any PM account of the CAI group.
 - (c) Information referred to in this paragraph is provided via the ICM.
3. The CAI group manager shall be entitled to initiate liquidity transfers via the ICM between the PM accounts, including their sub-accounts, forming part of the same CAI group.
4. A CAI group may also include PM accounts which are included in an AL group. In such a case, all the PM accounts of the AL group shall form part of the CAI group.
5. Where two or more PM accounts form part of an AL group and, at the same time, of a CAI group (comprising additional PM accounts), the rules applicable to the AL group shall prevail as to the relationship within the AL group.
6. A CAI group, which includes PM accounts of an AL group, may appoint a CAI group manager that is different from the AL group manager.
7. The procedure for obtaining authorisation to use the AL mode, set out in Article 25(4) and (5), shall apply mutatis mutandis to the procedure for obtaining authorisation to use the CAI mode. The CAI group manager shall not address an executed CAI mode agreement to the managing NCB.

Article 25 Aggregated liquidity mode

1. The following may use the AL mode:
 - (a) a credit institution and/or its branches (whether or not such entities participate in the same TARGET2 component system), provided that the entities concerned are established in the euro area and have several PM accounts identified by different BICs;
 - (b) branches established in the euro area (whether or not such branches participate in the same TARGET2 component system) of a credit institution established outside the euro area, provided that such branches have several PM accounts identified by different BICs; or
 - (c) two or more credit institutions referred to in subparagraph (a) and/or branches referred to in subparagraph (b) which belong to the same group.

In each case referred in subparagraphs (a) to (c) it shall also be a requirement that the entities concerned have established intraday credit arrangements with the respective participating NCB.

2. Under the AL mode, for the purpose of checking whether a payment order is sufficiently covered, available liquidity on all the AL group members' PM accounts is aggregated. Notwithstanding the above, the bilateral PM account relationship between the AL group member and its AL NCB shall continue to be governed by the arrangements of the relevant TARGET2 component system, subject to the modifications set out in the AL agreement. Intraday credit extended to any AL group member on its PM account may be covered by the available liquidity on the other PM accounts held by such AL group member or PM accounts held by any other AL group members with the same or any other AL NCB.
3. In order to use the AL mode, one or more PM account holders meeting the criteria in paragraph 1 shall enter into an AL agreement with the Bank of Finland and, if applicable, other CB(s) of the TARGET2 component systems in which other AL group members participate. A PM account holder may only enter into one AL agreement in relation to a particular PM account. The AL agreement shall be in conformity with the relevant template in Annex VII. *(Amendment 22.6.2015)*
4. Each AL group shall designate an AL group manager. In the event that the AL group consists of only one PM account holder, this PM account holder shall act as the AL group manager. The AL group manager shall address to the managing NCB a written request to use the AL mode (containing static data collection forms as provided by the Bank of Finland), together with the executed AL agreement on the basis of the template provided by the managing NCB. The remaining AL group members shall address their written requests (containing static data collection forms as provided by the Bank of Finland) to their respective AL NCBs. The managing NCB may request any additional information or document that it deems appropriate in order to decide on the request. In addition, the managing NCB, in agreement with the other AL NCBs, may require the insertion of any additional provision in the AL agreement that it deems appropriate in order to ensure the proper and timely discharge of any existing and/or future obligation of all AL group members towards any AL NCB. *(Amendment 22.6.2015)*
5. The managing NCB shall verify whether the applicants fulfil the requirements to form an AL group and whether the AL agreement has been properly executed. To this end, the man-

aging NCB may liaise with the other AL NCBs. The managing NCB's decision shall be addressed, in writing, to the AL group manager within one month of receipt of the request referred to in paragraph 4 by the managing NCB, or, if the managing NCB requests additional information, within one month of receipt of such information by the managing NCB. Any rejection decision shall contain reasons for the rejection.

6. AL group members shall automatically have access to the CAI mode.
7. The provision of information and all interactive control measures within an AL group shall be accessed via the ICM.

Article 25a Pledge and enforcement

1. The Bank of Finland's current and future claims arising from the legal relationship between an AL group member and the Bank of Finland and which are secured by the pledge under Article 40(1) of these Rules shall include the Bank of Finland's claims against such AL group member arising under the AL agreement to which both are party.
2. Without prejudice to the AL agreement, such pledge shall not prevent the PM account holder from using the cash deposited in its PM account(s) during the business day. (*Amendment 22.6.2015*)
3. The AL group member allocates the cash deposited in its PM account for the execution of all its obligations arising from these Rules.
4. Upon the occurrence of an enforcement event, the Bank of Finland shall have an unrestricted right to realise the pledge without any prior notice.

Article 26 Set-off of claims under Article 40(3) and (4)

On the occurrence of an enforcement event, any claim of the Bank of Finland against such AL group member shall be automatically and immediately accelerated and shall be subject to Article 40(3) and (4) of these Rules.

TITLE VI - SECURITY REQUIREMENTS AND CONTINGENCY ISSUES

Article 27 Business continuity and contingency procedures

1. In the event of an abnormal external event or any other event which affects the operation of the SSP, the business continuity and contingency procedures described in Annex IV shall apply.
2. The Eurosystem provides a Contingency Solution if the events described in paragraph 1 occur. Connection to and use of the Contingency Solution shall be mandatory for participants considered by the Bank of Finland to be critical. Other participants may, on request, connect to the Contingency Solution. (*Amendment 17.11.2019*)

Article 28 Security requirements and Control Procedures

1. Participants shall implement adequate security controls to protect their systems from unauthorised access and use. Participants shall be exclusively responsible for the adequate protection of the confidentiality, integrity and availability of their systems.
2. Participants shall inform the Bank of Finland of any security-related incidents in their technical infrastructure and, where appropriate, security-related incidents that occur in the technical infrastructure of the third party providers. The Bank of Finland may request further

information about the incident and, if necessary, request that the participant take appropriate measures to prevent a recurrence of such an event.

3. The Bank of Finland may impose additional security requirements, in particular with regard to cybersecurity or the prevention of fraud, on all participants and/or on participants that are considered critical by the Bank of Finland. (Amendment 17.11.2019)
4. Participants shall provide the Bank of Finland with (i) permanent access to their attestation of adherence to their chosen network service provider's endpoint security requirements, and (ii) on an annual basis the TARGET2 self-certification statement as published on the Bank of Finland's website and on the ECB's website in English (Amendment 21.11.2021)

4a. The Bank of Finland shall assess the participant's self-certification statement(s) on the participants level of compliance with each of the requirements set out in the TARGET2 self-certification requirements. These requirements are listed in Appendix VIII, which in addition to the other Appendices listed in Article 2(1), shall form an integral part of these Conditions.

4b. The participant's level of compliance with the requirements of the TARGET2 self-certification shall be categorised as follows, in increasing order of severity: 'full compliance'; 'minor non-compliance'; or, 'major non-compliance'. The following criteria apply: full compliance is reached where participants satisfy 100% of the requirements; minor non-compliance is where a participant satisfies less than 100% but at least 66% of the requirements and major non-compliance where a participant satisfies less than 66% of the requirements. If a participant demonstrates that a specific requirement is not applicable to it, it shall be considered as compliant with the respective requirement for the purposes of the categorisation. A participant which fails to reach 'full compliance' shall submit an action plan demonstrating how it intends to reach full compliance. The Bank of Finland shall inform the relevant supervisory authorities of the status of such participant's compliance.

4c. If the participant refuses to grant permanent access to its attestation of adherence to their chosen NSPs endpoint security requirements or does not provide the TARGET2 self-certification the participant's level of compliance shall be categorised as 'major non-compliance'.

4d. The Bank of Finland shall re-assess compliance of participants on an annual basis.

4e. The Bank of Finland may impose the following measures of redress on participants whose level of compliance was assessed as minor or major non-compliance, in increasing order of severity:

- (i) enhanced monitoring: the participant shall provide the Bank of Finland with a monthly report, signed by a senior executive, on their progress in addressing the non-compliance. The participant shall additionally incur a monthly penalty charge for each affected account equal to its monthly fee as set out in paragraph 1 of Appendix VI excluding the transaction fees. This measure of redress may be imposed in the event the participant receives a second consecutive assessment of minor non-compliance or an assessment of major non-compliance;
- (ii) suspension: participation in TARGET2-Suomen Pankki may be suspended in the circumstances described in Article 34(2)(b) and (c). By way of derogation from Article 34, the participant shall be given three months' notice of such suspension. The participant shall incur a monthly penalty charge for each suspended account of double its monthly fee as set out in paragraph 1 of Appendix VI, excluding the transaction fees. This measure of redress may be imposed in the event the participant receives a second consecutive assessment of major non-compliance
- (iii) termination: participation in TARGET2-Suomen Pankki may be terminated in the circumstances described in Article 34(2)(b) and (c). By way of derogation from Article 34, the participant shall be given three months' notice of such termination. The participant shall incur an additional penalty charge of EUR 1000 for each terminated

account. This measure of redress may be imposed if the participant has not addressed the major non-compliance to the satisfaction of the Bank of Finland following three months of suspension. (*Amendment 21.11.2021*)

5. Participants allowing access to their PM account by third parties as set out in Article 5(2), (3) and (4) shall address the risk stemming from allowing such access in accordance with the security requirements set out in paragraphs 1 to 4e of this Article. The self-certification referred to in paragraph (4) shall specify that the participant imposes the TARGET2 network service provider's endpoint security requirements on third parties who have access to that participant's PM account. (*Amendment 21.11.2021*)

TITLE VII - THE INFORMATION AND CONTROL MODULE

Article 29 Use of the ICM

1. The ICM:
 - (a) allows participants to access information relating to their accounts and to manage liquidity;
 - (b) may be used to initiate liquidity transfer orders; TIPS DCA to PM liquidity transfer orders, PM to TIPS DCA liquidity transfer orders, PM to T2S DCA liquidity transfer orders and, when the ICM is used in combination with the T2S value added services, T2S DCA to PM liquidity transfer orders; and; (*Amendment 30.11.2018*)
 - (c) allows participants to initiate backup liquidity redistribution and backup contingency payments or payment orders to the Contingency Solution in the event of a failure of the participant's payment infrastructure. (*Amendment 17.11.2019*)
2. Further technical details relating to the ICM are contained in Annex I.

TITLE VIII - COMPENSATION, LIABILITY REGIME AND EVIDENCE

Article 30 Compensation scheme

If a payment order cannot be settled on the same business day on which it was accepted due to a technical malfunction of TARGET2, the Bank of Finland shall offer to compensate the direct participants concerned in accordance with the special procedure laid down in Annex II.

Article 31 Liability regime

1. In performing their obligations pursuant to these Rules, the Bank of Finland and the participants shall be bound by a general duty of reasonable care in relation to each other.
2. The Bank of Finland shall be liable to its participants in cases of fraud (including but not limited to wilful misconduct) or gross negligence, for any loss arising out of the operation of TARGET2-Suomen Pankki. In cases of ordinary negligence, the Bank of Finland's liability shall be limited to the participant's direct loss, i.e. the amount of the transaction in question and/or the loss of interest thereon, excluding any consequential loss.
3. The Bank of Finland is not liable for any loss that results from any malfunction or failure in the technical infrastructure (including but not limited to the Bank of Finland's computer infrastructure, programmes, data, applications or networks), if such malfunction or failure arises in spite of the Bank of Finland having adopted those measures that are reasonably necessary to protect such infrastructure against malfunction or failure, and to resolve the consequences of such malfunction or failure (the latter including but not limited to initiating and completing the business continuity and contingency procedures referred to in Annex IV).
4. The Bank of Finland shall not be liable:
 - (a) to the extent that the loss is caused by the participant; or
 - (b) if the loss arises out of external events beyond the Bank of Finland's reasonable control (force majeure).
5. Notwithstanding the provisions of the Act on Payment Services (290/2010), paragraphs 1 to 4 shall apply to the extent that the Bank of Finland's liability can be excluded. (*Amendment 30.11.2018*)
6. The Bank of Finland and the participants shall take all reasonable and practicable steps to mitigate any damage or loss referred to in this Article.
7. In performing some or all of its obligations under these Rules, the Bank of Finland may commission third parties in its own name, particularly telecommunications or other network providers or other entities, if this is necessary to meet the Bank of Finland's obligations or is standard market practice. The Bank of Finland's obligation shall be limited to the due selection and commissioning of any such third parties and the Bank of Finland's liability shall be limited accordingly. For the purposes of this paragraph, the SSP-providing CBs shall not be considered as third parties.

Article 32 Evidence

1. Unless otherwise provided in these Rules, all payment and payment processing-related messages in relation to TARGET2, such as confirmations of debits or credits, or statement

messages, between the Bank of Finland and participants shall be made through the network service provider.

2. Electronic or written records of the messages retained by the Bank of Finland or by the network service provider shall be accepted as a means of evidence of the payments processed through the Bank of Finland. The saved or printed version of the original message of the network service provider shall be accepted as a means of evidence, regardless of the form of the original message.
3. If a participant's connection to the network service provider fails, the participant shall use the alternative means of transmission of messages laid down in Annex IV. In such cases, the saved or printed version of the message produced by the Bank of Finland shall have the same evidential value as the original message, regardless of its form.
4. The Bank of Finland shall keep complete records of payment orders submitted and payments received by participants for a period of six years from the time at which such payment orders are submitted and payments are received, provided that such complete records shall cover a minimum of five years for any participant in TARGET2 that is subject to continuous vigilance pursuant to restrictive measures adopted by the Council of the European Union or Member States, or more if required by specific regulations. *(Amendment 22.11.2010)*
5. The Bank of Finland's own books and records (whether kept on paper, microfilm, microfiche, by electronic or magnetic recording, in any other mechanically reproducible form or otherwise) shall be accepted as a means of evidence of any obligations of the participants and of any facts and events that the parties rely on.

TITLE IX - TERMINATION OF PARTICIPATION AND CLOSURE OF ACCOUNTS

Article 33 Duration and ordinary termination of participation

1. Without prejudice to Article 34, participation in TARGET2-Suomen Pankki is for an indefinite period of time.
2. A participant may terminate its participation in TARGET2-Suomen Pankki at any time giving 14 business days' notice thereof, unless it agrees a shorter notice period with the Bank of Finland.
3. The Bank of Finland may terminate a participant's participation in TARGET2-Suomen Pankki at any time giving three months' notice thereof, unless it agrees a different notice period with that participant.
4. On termination of participation, the confidentiality duties laid down in Article 38 remain in force for a period of five years starting on the date of termination.
5. On termination of participation, the PM accounts of the participant concerned shall be closed in accordance with Article 35.

Article 34 Suspension and extraordinary termination of participation

1. A PM account holder's participation in TARGET2-Suomen Pankki shall be immediately terminated without prior notice or suspended if one of the following events of default occurs:
 - (a) the opening of insolvency proceedings; and/or
 - (b) the PM account holder no longer meets the access criteria laid down in Article 4.
(Amendment 22.6.2015)

For the purposes of this paragraph, the taking of crisis prevention measures or crisis management measures within the meaning of Directive 2014/59/EU of the European Parliament and of the Council¹³ against a PM account holder shall not automatically qualify as the opening of insolvency proceedings. *(Amendment 30.11.2018)*

2. The Bank of Finland may terminate without prior notice or suspend the PM account holder's participation in TARGET2-Suomen Pankki if:
 - (a) one or more events of default (other than those referred to in paragraph 1) occur;
 - (b) the PM account holder is in material breach of these Rules;
 - (c) the PM account holder fails to carry out any material obligation to the Bank of Finland;
 - (d) the PM account holder is excluded from, or otherwise ceases to be a member of, a TARGET2 CUG;
 - (e) any other PM account holder-related event occurs which, in the Bank of Finland's assessment, would threaten the overall stability, soundness and safety of TARGET2-

¹³ Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190). *(Amendment 30.11.2018)*

Suomen Pankki or of any other TARGET2 component system, or which would jeopardise the Bank of Finland's performance of its tasks as described in the Act on the Bank of Finland (214/1998) and the Statute of the European System of Central Banks and of the European Central Bank; or poses risks on the grounds of prudence; and/or (Amendment 21.11.2011)

- (f) an NCB suspends or terminates the PM account holder's access to intraday credit pursuant to paragraph 12 of Annex III. (Amendment 22.6.2015)
- 3. In exercising its discretion under paragraph 2, the Bank of Finland shall take into account, inter alia, the seriousness of the event of default or events mentioned in subparagraphs (a) to (c).
- 4.
 - (a) In the event that the Bank of Finland suspends or terminates a PM account holder's participation in TARGET2-Suomen Pankki under paragraph 1 or 2, the Bank of Finland shall immediately inform, by means of an ICM broadcast message or a T2S broadcast message, that PM account holder, other CBs and PM account holders and T2S DCA holders in all of the TARGET2 component systems of such suspension or termination. Such message shall be deemed to have been issued by the home NCB of the PM account holder that receives the message (Amendment 30.11.2018)
 - (b) deleted (Amendment 15.4.2016)
 - (c) Once such an ICM broadcast message has been received by the PM account holders, the latter shall be deemed informed of the termination/suspension of a PM account holder's participation in TARGET2-Suomen Pankki or another TARGET2 component system. The PM account holders shall bear any losses arising from the submission of a payment order to PM account holders whose participation has been suspended or terminated if such payment order was entered into TARGET2-Suomen Pankki after receipt of the ICM broadcast message. (Amendment 22.6.2015)
- 5. Upon termination of a PM account holder's participation, TARGET2-Suomen Pankki shall not accept any new payment orders from such PM account holder. Payment orders in the queue, warehoused payment orders or new payment orders in favour of such PM account holder shall be returned. (Amendment 22.6.2015)
- 6. If a PM account holder is suspended from TARGET2-Suomen Pankki on grounds other than those specified in paragraph (1)(a), all its incoming payments and outgoing payment orders shall be stored and only entered into the entry disposition after they have been explicitly accepted by the suspended PM account holder's CB. (Amendment 13.11.2017)
- 7. If a PM account holder is suspended from TARGET2-Suomen Pankki on the grounds specified in paragraph (1)(a), any outgoing payment orders from that PM account holder shall only be processed on the instructions of its representatives, including those appointed by a competent authority or a court, such as the PM account holder's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the payments are to be processed. All incoming payments shall be processed in accordance with paragraph (6). (Amendment 13.11.2017)

All other obligations concerning suspension and termination are pursuant to Article 17 of the Guideline ECB/2012/27, recast. (Amendment 21.11.2021)

Article 35 Closure of PM accounts

1. Participants may close their PM accounts at any time provided they give the Bank of Finland 14 business days' notice thereof.
2. On termination of participation, pursuant to either Article 33 or 34, the Bank of Finland shall close the PM accounts of the participant concerned, after having:
 - (a) settled or returned any queued payment orders; and
 - (b) made use of its rights of pledge and set-off under Article 40.

TITLE X - INTRADAY CREDIT

Article 36 Eligible participants

1. Each euro area NCB shall provide intraday credit to credit institutions established in the Union or the EEA that are eligible counterparties for Eurosystem monetary policy operations, have access to the marginal lending facility and have an account with the relevant euro area NCB, including when those credit institutions act through a branch established in the Union or the EEA and including branches established in the Union or the EEA of credit institutions that are established outside the EEA, provided that such branches are established in the same country as the relevant euro area NCB. No intraday credit may be provided to entities that are subject to restrictive measures adopted by the Council of the European Union or Member States pursuant to Article 65(1)(b), Article 75 or Article 215 of the Treaty, the implementation of which, in the view of the Bank of Finland after informing the ECB, is incompatible with the smooth functioning of TARGET2. *(Amendment 30.11.2018)*
2. Intraday credit may also be granted to the following participants:
 - (a) deleted ; *(Amendment 15.4.2016)*
 - (b) credit institutions established in the Union or the EEA that are not eligible counterparties for Eurosystem monetary policy operations and/or do not have access to the marginal lending facility, including when they act through a branch established in the Union or the EEA and including branches established in the Union or the EEA of credit institutions that are established outside the EEA; *(Amendment 30.11.2018)*
 - (c) treasury departments of central or regional governments of Member States and public sector bodies of Member States authorised to hold accounts for customers; *(Amendment 17.11.2019)*
 - (d) investment firms established in the Union or the EEA provided that they have concluded an arrangement with a Eurosystem monetary policy counterparty to ensure that any residual debit position at the end of the relevant day is covered; and *(Amendment 30.11.2018)*
 - (e) entities other than those falling within point (b) that manage ancillary systems and act in that capacity, provided that the arrangements for granting intraday credit to such entities have been submitted to the Governing Council in advance and have been approved by the Governing Council, *(Amendment 15.4.2016)*

provided that in the cases specified in points (b) to (e) the entity receiving intraday credit is established in the same jurisdiction as the NCB providing the intraday credit.

All overnight credit granted to eligible central counterparties shall be subject to the terms of this Annex (including the provisions in relation to eligible collateral).

The sanctions provided for in Article 38 paragraphs 4 and 5 shall apply when eligible central counterparties fail to reimburse the overnight credit extended to them by their NCB. (*Amendment 15.4.2016*)

3. For the entities mentioned in paragraph 2(b) to (e), and in accordance with Article 19 of Guideline (EU) 2015/510 (ECB/2014/60), intraday credit shall be limited to the day in question and no extension to overnight credit shall be possible. (*Amendment 15.4.2016*)

By way of derogation, the Governing Council may decide, by means of a reasoned prior decision, to provide access to the marginal lending facility to certain eligible central counterparties (CCPs), within the scope of Article 139(2)(c) of the Treaty in conjunction with Articles 18 and 42 of the Statute of the ESCB and Article 1(1) of Guideline (EU) 2015/510 (ECB/2014/60). Such eligible CCPs are those that, at all relevant times: (*Amendment 15.4.2016*)

- a) are eligible entities for the purposes of paragraph 2(e), provided also that those eligible entities are authorised as CCPs in accordance with the applicable Union or national legislation;
- b) are established in the euro area;
- c) are subject to supervision and/or oversight by competent authorities;
- d) comply with the oversight requirements for the location of infrastructures offering services in euro, as amended from time to time and published on the ECB's website¹⁴
- e) have accounts in the Payments Module (PM) of TARGET2;
- f) have access to intraday credit. (*Amendment 11.4.2011*)

Article 37 Eligible collateral

1. Intraday credit shall be based on eligible collateral and granted by means of collateralised intraday overdrafts and/or intraday repurchase transactions in compliance with the additional minimum common features (including the events of default therein listed, as well as their respective consequences) that the Governing Council specifies with respect to Eurosystem monetary policy operations. Eligible collateral shall consist of the same assets as eligible for use in Eurosystem monetary policy operations, and shall be subject to the same valuation and risk control rules as those laid down in Part Four of Guideline (EU) 2015/510 (ECB/2014/60). (*Amendment 15.4.2016*)

Intraday credit shall only be granted once the eligible assets provided as collateral have been finally transferred or pledged. For this purpose, counterparties shall pre-deposit or shall pledge the eligible assets with the relevant NCB or shall settle the eligible assets with the relevant NCB on a delivery-versus-payment basis. (*Amendment 15.4.2016*)

2. Debt instruments issued or guaranteed by the entity, or by any other third party with which the entity has close links, may only be accepted as eligible collateral in the situations laid down in Part Four of Guideline (EU) 2015/510 (ECB/2014/60). (*Amendment 15.4.2016*)

2a. Use of ineligible collateral may result in the application of sanctions in accordance with Part Five of Guideline (EU) 2015/510 (ECB/2014/60). (*Amendment 30.11.2018*)

¹⁴

The Eurosystem's current policy for the location of infrastructure is set out in the following statements, which are available on the ECB's website at www.ecb.europa.eu: (a) the policy statement on euro payment and settlement systems located outside the euro area of 3 November 1998; (b) the Eurosystem's policy line with regard to consolidation in central counterparty clearing of 27 September 2001; (c) the Eurosystem policy principles on the location and operation of infrastructures settling euro-denominated payment transactions of 19 July 2007; (d) the Eurosystem policy principles on the location and operation of infrastructures settling euro-denominated payment transactions: specification of 'legally and operationally located in the euro area' of 20 November 2008; (e) the Eurosystem oversight policy framework, revised version of July 2016.'

3. The Governing Council may, upon a proposal by the Bank of Finland, exempt the treasury departments referred to in Article 36(2)(c) from the requirement to provide adequate collateral before obtaining intraday credit.

Article 38 Credit extension procedure

1. Access to intraday credit may only be granted on business days.
2. Intraday credit shall be provided free of interest.
3. The failure by an entity referred to in paragraph 1 to reimburse the intraday credit at the end of the day shall automatically be considered as a request by such entity for recourse to the marginal lending facility. If an entity referred to in paragraph 1 holds a TIPS DCA, any end-of-day balance on its TIPS DCA recorded in accordance with Annex III of Rules on the opening and operation of a Dedicated Cash Account in TARGET2-Suomen Pankki shall be taken into account for the purpose of calculating the amount of the entity's recourse to the automatic marginal lending facility. This shall not, however, trigger any equivalent release of assets pre-deposited as collateral for the underlying outstanding intraday credit. *(Amendment 30.11.2018)*
4. The failure by a participant referred to in Article 36(2)(b), (d) or (e) to reimburse the intraday credit at the end of the day for whatever reason shall render that participant liable to the following penalties:
 - (a) if the participant in question has a debit balance on its account at the end of the day for the first time within any twelve-month period, then this participant shall incur penalty interest calculated at a rate of five percentage points above the marginal lending rate on the amount of such debit balance;
 - (b) if the participant in question has a debit balance on its account at the end of the day for at least the second time within the same twelve-month period, then the penalty interest mentioned in subparagraph (a) shall be increased by 2.5 percentage points for each time additional to the first that a debit position has occurred within this twelve-month period.
5. The Governing Council may decide to waive or reduce the penalties imposed pursuant to paragraph 4, if the end-of-day debit balance of the entity in question is attributable to force majeure and/or technical malfunction of TARGET2, the latter phrase as defined in Annex II.

Article 39 Suspension, limitation or termination of intraday credit

1. a) The Bank of Finland shall suspend or terminate access to intraday credit if one of the following events of default occurs:
 - (i) the account of the participant with the Bank of Finland is suspended or closed;
 - (ii) the participant concerned ceases to meet any of the requirements laid down in these Rules for the provision of intraday credit;
 - (iii) a decision is made by a competent judicial or other authority to implement in relation to the participant a procedure for the winding-up of the participant or the appointment of a liquidator or analogous officer over the participant or any other analogous procedure;
 - (iv) the participant becomes subject to the freezing of funds and/or other measures imposed by the Union restricting the entity's ability to use its funds; or *(Amendment 22.11.2010)*

- (v) the eligibility of the participant as a counterparty for Eurosystem monetary policy operations has been suspended or terminated (*Amendment 1.1.2013*)
 - (b) The Bank of Finland may suspend or terminate access to intraday credit if an NCB suspends or terminates the participant's participation in TARGET2 pursuant to Article 34.2(b) to (e) of these Rules, or one or more events of default (other than those referred to in Article 34.2(a)) occur; or (*Amendment 22.11.2010*)
 - (c) If the Eurosystem decides to suspend, limit or exclude counterparties' access to monetary policy instruments on the grounds of prudence or otherwise in accordance with Article 158 of Guideline (EU) 2015/510 (ECB/2014/60), euro area NCBs shall implement that decision in respect of access to intraday credit pursuant to provisions in the contractual or regulatory arrangements applied by the respective NCBs. (*Amendment 15.4.2016*)
 - (d) The Bank of Finland may decide to suspend, limit or terminate a participant's access to intraday credit if the participant is deemed to pose risks on the grounds of prudence. In such cases, Bank of Finland shall immediately notify the ECB and other participating NCBs and connected CBs thereof in writing. Where appropriate, the Governing Council shall decide upon uniform implementation of the measures taken in all TARGET2 component systems. (*Amendment 21.11.2011*)
2. Where the Bank of Finland suspends, limits or terminates a Eurosystem monetary policy counterparty's access to intraday credit in accordance with paragraph 1(d) above, such decision shall not take effect until the ECB has approved it. (*Amendment 1.1.2013*)
 3. By derogation from paragraph 2, in urgent circumstances the Bank of Finland may suspend a Eurosystem monetary policy counterparty's access to intraday credit with immediate effect. In such cases the Bank of Finland shall immediately notify the ECB thereof in writing. The ECB shall have the power to reverse the Bank of Finland's action. However, if the ECB does not send the Bank of Finland notice of such reversal within ten business days of the ECB's receipt of notification, the ECB shall be deemed to have approved the Bank of Finland's action.

TITLE XI - FINAL PROVISIONS

Article 40 The Bank of Finland's rights of pledge and set-off

1. The Bank of Finland shall have a pledge over the participant's existing and future credit balances on its PM accounts, thereby collateralising any current and future claims arising out of the legal relationship between the parties.
2. The participant, acting in its capacity as a PM account holder, hereby acknowledges the creation of a pledge in favour of the Bank of Finland, with whom that account has been opened; this acknowledgement shall constitute the provision of pledged assets to the Bank of Finland referred to under Finnish law. Any amounts paid into the PM account whose balance is pledged shall, by the mere fact of being paid in, be irrevocably pledged, without any limitation whatsoever, as collateral security for the full performance of the secured obligations.
3. On the occurrence of:
 - (a) an event of default referred to in Article 34(1); or
 - (b) any other event of default or event referred to in Article 34(2) that has led to the termination or suspension of the participant's participation in TARGET2-Suomen Pankki notwithstanding the commencement of any insolvency proceedings in respect of a participant and notwithstanding any assignment, judicial or other attachment or other disposition of or in respect of the participant's rights, all obligations of the participant shall be automatically and immediately accelerated, without prior notice and without the need for any prior approval of any authority, so as to be immediately due. In addition, the mutual obligations of the participant and the Bank of Finland shall automatically be set off against each other, and the party owing the higher amount shall pay to the other the difference.
4. The Bank of Finland shall promptly give the participant notice of any set-off pursuant to paragraph 3 after such set-off has taken place.
5. The Bank of Finland may without prior notice debit any participant's PM account by any amount which the participant owes the Bank of Finland resulting from the legal relationship between the participant and the Bank of Finland.

Article 41 Security rights in relation to funds on sub-accounts

1. The Bank of Finland shall have a pledge over the balance on a participant's sub-account opened for the settlement of AS-related payment instructions under the arrangements between the relevant ancillary system and its CB. Such balance shall collateralise the participant's obligation referred to in paragraph 7 towards the Bank of Finland in relation to such settlement.
2. The Bank of Finland shall freeze the balance on the sub-account of the participant upon communication by the ancillary system (via a 'start-of-cycle' message). Where applicable, the Bank of Finland shall thereafter increase or reduce the frozen balance by crediting or debiting cross-system settlement payments to or from the sub-account or crediting liquidity transfers to the sub-account. Such freezing shall expire upon communication by the ancillary system (via an 'end-of-cycle' message).
3. By confirming the freezing of the balance on the participant's sub-account, the Bank of Finland guarantees to the ancillary system payment up to the amount of this particular balance. By confirming, where applicable, the increase or reduction of the frozen balance upon

crediting or debiting cross-system settlement payments to or from the sub-account or crediting liquidity transfers to the sub-account, the guarantee is automatically increased or reduced in the amount of the payment. Without prejudice to the abovementioned increase or reduction of the guarantee, the guarantee shall be irrevocable, unconditional and payable on first demand. If the Bank of Finland is not the ancillary system's CB, the Bank of Finland shall be deemed instructed to issue the abovementioned guarantee to the ancillary system's CB.

4. In the absence of any insolvency proceedings in relation to the participant, the AS-related payment instructions for the squaring of the participant's settlement obligation shall be settled without drawing on the guarantee and without recourse to the security right over the balance on the participant's sub-account.
5. In the event of the participant's insolvency, the AS-related payment instruction for the squaring of the participant's settlement obligation shall be a first demand for payment under the guarantee; the debiting of the instructed amount from the participant's sub-account (and crediting of the AS's technical account) shall therefore equally involve the discharge of the guarantee obligation by the Bank of Finland and a realisation of its collateral right over the balance on the participant's sub-account.
6. The guarantee shall expire upon communication by the ancillary system that the settlement has been completed (via an 'end-of-cycle' message).
7. The participant shall be obliged to reimburse to the Bank of Finland any payment made by the latter under such guarantee.

Article 42 Confidentiality

1. The Bank of Finland shall keep confidential all sensitive or secret information, including when such information relates to payment, technical or organisational information belonging to the participant, participants from the same group or the participant's customers, unless the participant or its customer has given its written consent to disclose or such disclosure is permitted or required under Finnish law. *(Amendment 15.4.2016)*
 - 1a) '1a. By derogation from paragraph 1, the participant agrees that information on any action taken under Article 34 shall not be considered as confidential *(Amendment 30.11.2018)*
2. By derogation from paragraph 1, the participant agrees that the Bank of Finland may disclose payment, technical or organisational information regarding the participant, participants from the same group or the participant's customers obtained in the course of the operation of TARGET2-Suomen Pankki to (a) other CBs or third parties that are involved in the operation of TARGET2-Suomen Pankki, to the extent that this is necessary for the efficient functioning of TARGET2 or the monitoring of the participant's or its group's exposure; (b) other CBs in order to carry out the analyses necessary for market operations, monetary policy functions, financial stability or financial integration; or (c) supervisory, resolution and oversight authorities of Member States and the Union, including CBs, to the extent that this is necessary for the performance of their public tasks, and provided in all such cases that the disclosure is not in conflict with the applicable law. The Bank of Finland shall not be liable for the financial and commercial consequences of such disclosure. *(Amendment 17.11.2019)*
3. By derogation from paragraph 1 and provided this does not make it possible, whether directly or indirectly, to identify the participant or the participant's customers, the Bank of Finland may use, disclose or publish payment information regarding the participant or the participant's customers for statistical, historical, scientific or other purposes in the exercise

of its public functions or of functions of other public entities to which the information is disclosed.

4. Information relating to the operation of TARGET2-Suomen Pankki to which participants have had access, may only be used for the purposes laid down in these Rules. Participants shall keep such information confidential, unless the Bank of Finland has explicitly given its written consent to disclose. Participants shall ensure that any third parties to whom they outsource, delegate or subcontract tasks which have or may have an impact on the performance of their obligations under these Rules are bound by the confidentiality requirements in this Article.
5. The Bank of Finland shall be authorised, in order to settle payment orders, to process and transfer the necessary data to the network service provider.

Article 43 Data protection, prevention of money laundering, administrative or restrictive measures and related issues

1. Participants shall be deemed to be aware of, and shall comply with, and shall be able to demonstrate that compliance to the relevant competent authorities with all obligations on them relating to legislation on data protection. They shall be deemed to be aware of, and shall comply with all obligations on them relating to legislation on prevention of money laundering and the financing of terrorism, proliferation-sensitive nuclear activities and the development of nuclear weapons delivery systems, in particular in terms of implementing appropriate measures concerning any payments debited or credited on their PM accounts. Participants shall ensure that they are informed about the TARGET2 network service provider's data retrieval policy prior to entering into the contractual relationship with the TARGET2 network service provider. *(Amendment 21.11.2021)*
2. Participants shall be deemed to have authorised the Bank of Finland to obtain any information relating to them from any financial or supervisory authority or trade body, whether national or foreign, if such information is necessary for the participant's participation in TARGET2-Suomen Pankki.
3. Participants, when acting as the payment service provider of a payer or payee, shall comply with all requirements resulting from administrative or restrictive measures imposed pursuant to Articles 75 or 215 of the Treaty on the Functioning of the European Union to which they are subject, including with respect to notification and/or the obtaining of consent from a competent authority in relation to the processing of transactions. In addition:
 - (a) when the Bank of Finland is the payment service provider of a participant that is a payer:
 - (i) the participant shall make the required notification or obtain consent on behalf of the central bank that is primarily required to make notification or obtain consent, and shall provide the Bank of Finland with evidence of having made a notification or having received consent;
 - (ii) the participant shall not enter any payment order for the transfer of funds to an account held by an entity different than the participant, into TARGET2 until it has obtained confirmation from the Bank of Finland that the required notification has been made or the consent has been obtained by or on behalf of the payment service provider of the payee. *(Amendment 30.11.2018)*
 - (i) when the Bank of Finland is a payment service provider of a participant that is a payee, the participant shall make the required notification or obtain consent on be-

half of the central bank that is primarily required to make notification or obtain consent, and shall provide the Bank of Finland with evidence of having made a notification or having received consent.

For the purposes of this paragraph, the terms “payment service provider”, “payer” and “payee” shall have the meanings ascribed to them in the applicable administrative or restrictive measures.’. (Amendment 21.11.2011)

Article 44 Notices

1. Except where otherwise provided for in these Rules, all notices required or permitted pursuant to these Rules shall be sent by registered post, facsimile or otherwise in writing or by an authenticated message through the network service provider. Notices to the Bank of Finland shall be submitted to the head of the Banking Services Division at the Bank of Finland, P.O. Box 160, FI-00101 HELSINKI, Finland or to the BIC address SPFBFIHHXXX. Notices to the participant shall be sent to it at the address, fax number or its BIC address as the participant may from time to time notify to the Bank of Finland. (Amendment 22.11.2010)
2. To prove that a notice has been sent, it shall be sufficient to prove that the notice was delivered to the relevant address or that the envelope containing such notice was properly addressed and posted.
3. All notices shall be given in Finnish, Swedish and/or English.
4. Participants shall be bound by all forms and documents of the Bank of Finland that the participants have filled in and/or signed, including but not limited to static data collection forms, as referred to in Article 8(2)(a), and information provided under Article 11(5), which were submitted in compliance with paragraphs 1 and 2 and which the Bank of Finland reasonably believes to have received from the participants, their employees or agents.

Article 45 Contractual relationship with network service provider

1. For the purposes of these Rules, the network service provider is SWIFT. Each participant shall enter into a separate agreement with SWIFT regarding the services to be provided by SWIFT in relation to the participant’s use of TARGET2-Suomen Pankki. The legal relationship between a participant and SWIFT shall be exclusively governed by SWIFT’s terms and conditions.
2. Each participant shall also participate in a TARGET2 CUG, as specified by the SSP-providing CBs acting as the SWIFT service administrator for the SSP. Admission and exclusion of a participant to or from a TARGET2 CUG shall take effect once communicated to SWIFT by the SWIFT service administrator.
3. Participants shall comply with the TARGET2 SWIFT Service Profile, as made available by the Bank of Finland.
4. The services to be provided by SWIFT shall not form part of the services to be performed by the Bank of Finland in respect of TARGET2.
5. The Bank of Finland shall not be liable for any acts, errors or omissions of SWIFT (including its directors, staff and subcontractors) as provider of SWIFT services, or for any acts, errors or omissions of network providers selected by participants to gain access to the SWIFT network.

Article 45a Transitional provisions ¹⁵

1. Once the TARGET system is operational and TARGET2 has ceased operation, PM account balances shall be transferred to the account holder's corresponding successor accounts in the TARGET system.
2. The requirement that PM account holders, indirect Participants and addressable BIC holders adhering to the SCT Inst scheme be reachable in the TIPS Platform pursuant to Article 5 shall apply as of 25 February 2022. (*Amendment 21.11.2021*)

Article 46 Amendment procedure

The Bank of Finland may at any time unilaterally amend these Rules, including the Annexes. Amendments to these Rules, including the Annexes, shall be announced on the Bank of Finland website. Amendments shall be deemed to have been accepted unless the participant expressly objects within 14 days of being informed of such amendments. In the event that a participant objects to the amendment, the Bank of Finland is entitled immediately to terminate that participant's participation in TARGET2-Suomen Pankki and close any of its PM accounts.

Article 47 Third party rights

1. Any rights, interests, obligations, responsibilities and claims arising from or relating to these Rules shall not be transferred, pledged or assigned by participants to any third party without the Bank of Finland's written consent.
2. These Rules do not create any rights in favour of or obligations in relation to any entity other than the Bank of Finland and participants in TARGET2-Suomen Pankki.

Article 48 Governing law, jurisdiction and place of performance

1. The bilateral relationship between the Bank of Finland and participants in TARGET2-Suomen Pankki shall be governed by Finnish law.
2. Without prejudice to the competence of the Court of Justice of the European Union, any dispute arising from a matter relating to the relationship referred to in paragraph 1 falls under the exclusive competence of the competent courts of Helsinki. (*Amendment 22.11.2010*)
3. The place of performance concerning the legal relationship between the Bank of Finland and the participants shall be Helsinki.

Article 49 Severability

If any provision in these Rules is or becomes invalid, this shall not prejudice the applicability of all the other provisions of these Rules.

Article 50 Entry into force

1. These Rules become effective from 18 February 2008.

¹⁵ ECB/2021/30, Article 27a