

**English translation of the letter sent by the President of the  
Fédération Bancaire Française to the Governor of the Banque de France**

Subject : *Target2* - European Central Bank Consultation

On December 16, 2002, the European Central Bank launched a public consultation for the *Target* long-term evolution (*Target2*). You will find hereafter the position of the French Banking Federation executive Committee on this issue.

Considering the approach adopted by the ECB Council of Governors, and particularly the installation of the shared platform, the FBF Executive Committee considers that the best way is to develop the *Target2* project in accordance with the specifications of the core services that must be accepted beforehand by all users.

To do so, the three European Credit Sector Associations sent to the ECB last November, a document entitled "*Target2* Users requirements" describing the needs of *Target* current users. We noticed with satisfaction that some of needs mentioned in this document had already been included into the public consultation documents. With the view of taking into account the banking needs of future users, the *Target2* core functionalities must integrate the detailed specifications of the answer that the European banking community is in the process of finalizing within the European Credit Sector Associations *Target* Working Group. The answer will be communicated to the ECB in April.

It is to be reminded that among the principal expressed needs, French banks and doubtless some other European banks, demand to go on with offering services of intraday liquidity which exist in their domestic systems, and particularly the access to a real-time intraday liquidity management, with the central bank delegation on central currency for the securities systems, and the bridge "cash-securities".

Moreover, for the setting up of the *Target2* shared platform, the FBF executive Committee considers as essential to respect the neutrality principle in the political, geographical, and commercial fields, taking into account the activity of the various places in Europe. The location of the shared platform must be organized in such a way that the adopted solution does not affect the distribution of the various activities (securities and financial markets...) between the different European places, nor the commercial activities of banks.

Insofar as these characteristics of neutrality are guaranteed, and the above mentioned needs are included in the core *Target2* functionalities, the FBF's member banks are willing to join and promote the shared platform.