

NOTAT

BANK SET-UP KRONOS2 – 4-EYES PRINCIPLE + OPTIONAL SWIFT MESSAGES

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Danmarks Nationalbank has chosen to centralise the user administration in Kronos2 which means that Danmarks Nationalbank will be responsible for all user administration in the system. This includes both creating users and assigning standardised and predefined user profiles for users of each bank.

In addition, Kronos2 supports both a 2- and 4-eyes principle in a few predefined areas in the system, such as payment instructions. It will be up to each bank to decide whether they wish to use this principle and to what extent, after which Danmarks Nationalbank adjusts the system set-up accordingly.

4-eyes principle

In the upcoming Kronos2 system Danmarks Nationalbank offers the possibility to apply the 4-eyes principle in 3 predefined areas:

RTGS module

In the RTGS module it will be possible to choose the 4-eyes principle in 2 areas:

- i. Payments:
With payments we refer to external transfers, i.e. transfers that create a MT202 or a MT103 message. If the 4-eyes principle is chosen on payments, the amount and the recipient must be re-entered in the approval window.*
- ii. Scandinavian Cash Pool (SCP) transactions¹:
With SCP transactions we refer to internal transfers from LOM to the*

¹ Only applicable to banks that participate in the SCP programme

RCP trust account and the other way round, and the function where SCP as collateral is activated.

GCSD module

In the GCSD module it will be possible to choose the 4-eyes principle applicable to the entire module covering the following:

- iii. Monetary policy operations and pledging of collateral and cash supply operations²*

Note:

If the 4-eyes principle has been opted for, the principle will apply to the entire organisation. E.g. if the 4-eyes principle has been chosen on payments, the principle will apply to all employees with user rights to make payments in the system.

If the 4-eyes principle has been opted for in the GCSD module, the principle will apply to all employees with user rights to e.g. trade certificate of deposits, employees that can pledge collateral, and employees that can collect cash holdings.

Optional SWIFT messages (only relevant to account holders that use SWIFT)

In Kronos2, participants using SWIFT can choose to receive certain types of SWIFT messages:

- 1) MT012 "Sender notification". Notification to the sender when the message has been released by Kronos2.*
- 2) MT900 "Confirmation of Debit" and MT910 "Confirmation of Credit". The participant can choose to either receive both the MT900 and MT910 on all accounts, or no MT900/MT910 at all.*
- 3) MT298 "Open for settlement" (sent when the settlement account opens, currently at 07.00) or MT298 "Close for settlement" (is sent when the monetary policy day has ended, currently at 15.30 hrs). Participants can freely choose which messages they wish to receive, if any at all.*

² Only applicable to banks that handle cash holdings