

Madrid, 18 September 2017

Joint announcement by the CNMV and the Banco de España on the completion of the securities clearing, settlement and registration system reform project

The incorporation today, 18 September, of Iberclear on TARGET2-Securities (T2S), the new centralised pan-European platform for securities settlement,¹ completes the project to reform the Spanish securities market clearing, settlement and registration system.

This project was implemented in two phases:

- Phase I, in April 2016, bringing about significant changes to equities clearing and settlement and the way in which transactions are registered. As part of Phase I, settlement periods were shortened from D+3 to D+2 in October 2016.
- Phase II, incorporating fixed-income securities in the ARCO settlement system (already used to settle equities) and connection to T2S.

This project was coordinated and managed by the reform coordination committee, chaired by the CNMV and comprising representatives of the Banco de España, Iberclear, AEB, CECA, FOGAIN, market infrastructures and the main participants in the clearing and settlement systems.

The national user group, chaired by the Banco de España, played a particularly active role in coordinating post-trading community participants in the second phase of the project, particularly as regards joining T2S.

Although the project's overall goals have now been fulfilled, the system needs to evolve to continue adapting to securities markets' increasingly global and competitive environment.

The CNMV and the Banco de España would like to express their gratitude to Iberclear, its member entities, infrastructures, and in general, the whole Spanish post-trading community for their work. This effort has made possible a significant step forward in the standardisation of Spain's systems with those of the rest of the European Union, thus improving these systems' competitiveness.

¹ See annex

Annex

TARGET2-Securities (T2S) is the Eurosystem platform for securities settlement in central bank money in Europe. T2S offers European central securities depositories a neutral, integrated cross-border settlement service with advanced functionalities.

The platform allows settlement of securities transactions in euros and other currencies whose central banks are connected to the system. T2S harmonises settlement processes in Europe and places cross-border settlement on an equal footing with national settlement, enabling cheaper and more efficient handling of cross-border securities transactions within the European Union. This will allow investors to further diversify their portfolios and issuers to access a broader investor base.

The platform became operational in June 2015, since when 20 central securities depositories across Europe have incorporated their securities markets on the platform. The migration to T2S was completed on 18 September 2017 with the incorporation of the Spanish central securities depository, Iberclear, and the central depository of the Baltic states. For the time being, Denmark's central bank will be the only one outside the euro area to make its currency available for securities transaction settlement on T2S (scheduled for 2018).

T2S's contribution to European securities markets integration makes it the cornerstone of financial integration in Europe and the creation of a single capital market.

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