

TARGET2-SECURITIES

National User Group (GNU)

Madrid, 20 December 2016 – (9:30-11:30 AM). Europa Meeting Room

1. Introduction

The president welcomed the attendees.

2. Eurosystem updates:

The following topics were reported:

- The ECB Governing Council will approve during the week the new version of the user requirements (V. 5.05), which incorporates the changes that have been implemented in the system since the last version.
- The last meeting of the Advisory Group took place on 30 November. The representation of the Spanish community in the new group AMISeCo is expected to be similar to the current one in the AG and COGESI.

During that meeting, it was reported, inter alia, on the analysis carried out by the Eurosystem and the CSDs about the instability generated in the platform after the third migration wave, leading to delays in the end and start of day processes. The CSG requested to a working group to study and submit a proposal with the remedial measures to be adopted by 22 December.

- There were some incidents during the last migration testing weekend for wave 4 that were also being analyzed.

3. Adaptation status in Spain

3.1 Iberclear

a) Project status

A new version of the Manual of Procedures was published on Friday, and a new version of the testing document is scheduled for publication in January. In addition, a workshop on migration will take place on the first week of February. The next relevant milestone in the project is the start of the homologation tests in January 2017.

b) Participants support plan

The level of involvement of the participants in the voluntary testing reaches 75%. The testing details for direct connected participants (DCPs) will be published in late January.

The participants agreed to coordinate the finding of counterparts for testing in view of the difficulties mentioned during the meeting.

3.2 BME Clearing

a) Project status

BME Clearing pointed out some impacts identified by the migration to T2S. In particular, the lack of partial liquidation in the first night cycle of T2S will imply a greater need of liquidity for BME Clearing. On the other hand, the optimization algorithms of T2S are different to those used by Iberclear. As an example, instructions sent later can be settled before other pending instructions, which may complicate the management of failures.

It was reported that the test environment for fixed income has been available to entities since last week, and most of the functionalities can be tested.

3.3 Banco de España

a) Support to participants

The calendar with the next milestones was presented: i) on 17 January, the eighth info session will be held; ii) the deadline for submitting the final legal documentation and the production forms ends in February; iii) on 13 February the connectivity to T2S (DCAs) in the testing environment starts; and (iv) community tests will begin in March.

Participants were reminded that testing planning activities lasts from February to September, including the months of July and August. It was also remarked that the connectivity to the production environment starts on 8 May and the pre-migration on 26 June.

3.4 Participants: tour de table

Participants reported on the progress of their adaptations to T2S migration. The developments have progressed as compared to the previous NUG meeting. The entities expressed concerns on some issues that are pending on decision (if Iberclear's participation is mandatory for primary dealers, and if it is possible for a participant to keep its securities in its own account or in an individual account under its name in another entity). The Treasury confirmed that it is aware of the need to clarify these issues.

The entities showed concerns about the fiscal aspects of the distribution to their clients of the securities assigned in the Spanish public debt auction through OTC transactions.

It was also pointed out that the regulation on public debt repo transactions with clients (known as simultaneous transactions in Spain) should be clarified.

4. Any other business

The next meeting is scheduled on the week of 23 January.

The presentations used during the meeting are available on the Banco de España website:

http://www.bde.es/bde/en/areas/sispago/Sistemas_de_comp/TARGET2-Securiti/Documentacion_de_trabajo.html

Annex. Participants in the XXXII Meeting of the Spanish National User Group, 20 December 2016

Participants. Group Members

Javier Alonso Ruíz-Ojeda
Jesús López Pedruelo
Montserrat Jiménez
Javier Ruíz del Pozo
María José Ausejo
Ana Puente
Jesús Benito
Jaime Silió
Laura Puente
Mercedes Irigaray
Xavier Aguilá
Julio Alcántara
Ignacio Santillán
José Luis Rebollo
Alexis Thompson
Amadeo Lazaro Fernández
Claudio Sancho Corrales
Inmaculada Andrade Valderrama
María José Teva
Laia Gracia Carles
José Luis Calleja
Maribel Cortes de Nava
Lily Corredor
Marta Lourdes de Nova
Nieves Mayorga
Carlos Luengo
Maria Belén Muñoz
Gema Moreno
Francisco Béjar
Rafael Gonzalez-Aller
Thomas Steinman

Institutions

Banco de España
BE/Consejo de T2S
Banco de España
CNMV
CNMV
D.G. del Tesoro
Iberclear
Iberclear
Iberclear
BME Clearing
BME Clearing
AIAF
FOGAIN
CECA
BBVA
Santander
Santander
Caixabank
Caixabank
Banco Sabadell
Bankia
Bankia
Ibercaja
Bankinter
Bankinter
Banco Cooperativo
Banco Cooperativo
Société Générale
BNP Paribas SS
Citibank
Deutsche Bank

Observers

Julio Poyo
Delfina Vázquez
Jesús Pérez Bonilla
María José Garcia Ravassa
Luis Miguel Rodríguez Caramelo
José Peña

D.G. del Tesoro
Iberclear
Banco de España
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