

# TARGET2-SECURITIES

National User Group (NUG)

Madrid, 21 April 2017 (09:30-11:30 AM). Europa Meeting Room

## 1. Introduction

The president welcomed the participants.

## 2. Eurosystem updates

The T2S platform works properly without significant incidents. In March, approximately 500.000 transactions were settled daily. About 55% was settled in the night cycle and 45% in the daytime. Regarding the matching, approximately half of the transactions are matched in T2S. The cross-border transactions are still less than 1% and, considering that most of the CSDs have already migrated to the platform, the reasons will be analyzed in the T2S groups.

The software version for the last wave migration is already in the test environment and it will be in production on July 8 (Release 1.3). The Release 2.0 that includes the change requests for the Danish market is planned for 2018. Starting in 2019, two major and two minor releases each year are foreseen.

The T2S annual report, which includes for the first time the financial statements, was published.

The AMI-SeCo workshop on the mobilization of collateral in Eurosystem credit operations will take place on 11 May in Madrid.

## 3. Adaptation status in Spain

### 3.1 Iberclear

#### a) Project status

The development of the project is in line with the schedule except for some small delays. With regard to the documentation:

- The summary of the first migration weekend dress rehearsal (MWDR), which includes aggregate information on the incidents, will be published on 25 April.
- The script of the 5-6 May MWDR will not be published until the ECB confirms the final timetable (possibly Monday 24 or 25 April).
- Today the updated template of block II will be published.

- An updated version of the manual of procedures will be published on the week of 27 March. The BME-PC manual is already available.
- The internally validated fees will be presented to the CNMV next week and to users in May.

The start of the tests for block III is delayed to 22 May, due to the delay of corporate events block II. The end of the certification tests is also delayed to 14 July.

The May MWDR will be similar to the previous one with some minor changes. This MWDR includes corporate actions migration activities. The request to maintain a business day schedule during the whole week has not been accepted by T2S. It is planned to apply the production schedule on Monday, Tuesday and Wednesday and to extend the communications window from 2 to 3 hours. The point of no return is maintained at 18:00.

#### b) Participants support plan

Around 95% of the users participated in the certification of Block I, of which 53% completed it and 37% did it between 80% - 90%. Iberclear is in contact with the users that didn't complete it, which is not considered a risk for the project.

Some changes were agreed in the certification of Block II: any entity that has declared being an agent in the migration form must pass the tests; only the agent entities will be certificated for those events that change with respect to phase 1 of the reform; the test schedule will be updated and extended until the end of Block III, beginning with Block II events; a template similar to that of Block I will be published with the tests that Iberclear will check; Iberclear will not check the tests in which the entities are passive.

The SEND and SENAF platforms are adapted to T2S and the users are testing with them. They will participate in the May, June and August MWDR. The participants requested a document on adaptations of the BME platforms to T2S. Users are concerned about the lack of functional documentation regarding the changes on flows. BME is working with the CNMV to prepare a document. The publication by foreign trading platforms of a similar document to the one published by EuroCCP was required. It was clarified that this is an issue between the infrastructures and their clients.

### **3.2 BME Clearing**

#### a) Project status

The second version of the document about the adaptations of the equity segment to T2S was published on 12 April. The analysis of the MWDR results confirms the higher liquidity needs for the CCP during the day. The main concern is the absence of partial settlement in the first night settlement cycle.

Users are requested to provide adequate liquidity in the cash accounts (DCA) and enable the autocollateralization for the next MWDR in order to perform a more accurate analysis of the impact on liquidity.

### **3.3 Banco de España**

#### a) Support to participants

The status of the legal documentation, preparation of the connectivity for tests, the cash static data load and the calendar was presented.

### **4. Participants: tour de table**

Participants reported on the status of their certification tests and adaptations to T2S migration, with an increase in the development rates compared to the previous month.

One participant asked about the possibility of releasing all pending COLO instructions from BME PC. It was also requested to publish the documentation related to the upcoming MWDR earlier, although it does not include the schedule.

The possibility to transfer the securities from the general account to the individual pledged account without going through an individual account was requested. Some entities consider that the transfer through individual accounts is not practical, adds costs and requires a specific development.

Banco de España confirmed that securities coming from the public debt auctions are assigned in the EUR sub-balance. The Bank of Spain was requested to publish a document with the operational procedure for public debt auctions.

On the possibility of doing massive testing after the migration weekend, Iberclear is analyzing whether volume tests can be performed independently to the migration test.

The entities convey to the Treasury representative their concern about the delay in the changes to the legal documentation, which has a significant impact on the decisions of their clients and, therefore, on their adaptations to T2S.

### **5. Questions and answers**

### **6. Dates for the next meetings**

The next meetings are scheduled on the 25 May, 23 or 26 of June (pending of confirmation), 20 July and 31 August.

The president thanked Amadeo Lázaro who leaves the NUG for his valuable contribution to the group and to the T2S project in general.

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

**Annex. Participants in the XXXVI Meeting of the Spanish National User Group, 21 April 2017**

**Participants. Group Members**

Juan Ayuso  
Carlos Conesa  
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  
Pilar Clavería  
José Luis Rebollo  
Zaneida Voces Reguera  
Alexis Thompson  
Fernando García Rojo  
Amadeo Lázaro Fernández  
Marcos Santos Centenera  
Claudio Sancho Corrales  
Juan Carlos Colinas Jiménez  
Alberto Orce Manchón  
Inmaculada Andrade Valderrama  
María José Teva  
Laia García Carles  
José Luis Calleja  
Maribel Cortes de Nava  
Marta Lourdes de Nova  
Nieves Mayorga  
Carlos Luengo  
María Belén Muñoz  
Rafael Gonzalez-Aller  
Lily Corredor  
Gema Moreno  
Francisco Béjar  
Jose-Antonio Aldama

**Institutions**

Banco de España  
Banco de España  
Banco de España  
CNMV  
CNMV  
D.G. del Tesoro  
Iberclear  
Iberclear  
Iberclear  
BME Clearing  
BME Clearing  
AIAF  
FOGAIN  
AEB  
Cecabank  
Cecabank – T2  
BBVA  
BBVA  
Santander  
Santander  
Santander  
Banco Popular  
Banco Popular  
Caixabank  
Caixabank  
Banco Sabadell  
Bankia  
Bankia  
Bankinter  
Bankinter  
Banco Cooperativo  
Banco Cooperativo  
Citibank  
Ibercaja  
Société Générale  
BNP Paribas SS  
Deutsche Bank

**Observers**

Jesús Pérez Bonilla  
Fernando Castaño  
María José García Ravassa  
María Ángeles Colombas  
José Peña

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