

# TARGET2-SECURITIES

National User Group

Madrid, 12<sup>th</sup> of November, 2015 – (10.30-12:30). Room: Europa

## 1. Introductory remarks

The chairman welcomed the participants of the Spanish National User Group (NUG).

## 2. Update on the status of the project

The T2S platform is running since last June. Four central securities depositories from Greece, Malta, Romania and Switzerland connected then, and Monte Titoli joined on the 31st of August.

The migration of the first wave CSDs has been successful. T2S is working smoothly and with a low level of incidents. The T2S Board is closely monitoring the performance of the platform and the measures applied to correct the detected defects.

Euroclear ESES (Euroclear Belgium, France and Netherlands) informed the T2S Board that, due to challenges that they faced in preparation for the migration to the T2S platform, they will not be able to migrate on the foreseen date for Wave 2 participants, the 28<sup>th</sup> of March, 2016. The governing bodies of T2S are assessing the impact of Euroclear ESES' delay on the rest of markets and their migration dates, and working to identify the best possible way-forward. The aim is agreeing on a solution in December, seeking later its formal approval by the ECB Governing Council at the beginning of 2016.

Finally, the NUG was informed about the most relevant elements of the Eurosystem's Vision 2020:

- The Eurosystem is exploring synergies between TARGET2 and T2S, with the ultimate goal of achieving a consolidated Eurosystem market infrastructure.
- New service opportunities are being assessed in the field of instant payments.
- The Eurosystem will increase harmonization of its own collateralization techniques and procedures. It will also consider the business case for a common Eurosystem collateral management system.

## 3. Reporting on the latest activities of the CSD Steering Group (CSG)

The CSG has mandated the PMG, the OMG and the CRG to work jointly on the impact assessment of Euroclear ESES' delay on the migration and testing plans of the other migration waves. The aim is to agree on a solution on the 10th of December.

With regard to the discussion on the finality of settlement instructions ("moment of entry" – SF1), the CSG has prepared an agreement to be signed, pending of a few details. Its entry into force will require certain technical adaptations in T2S.

Further, Iberclear confirmed that they will not offer matching services in its own platform.

## **4. Current state of adaptations to T2S.**

### **4.1. Spanish market (*tour-de-table*)**

The NUG members informed about their adaptations to T2S, linked to the developments in the context of the first phase of the Spanish reform. Some concerns were raised regarding the special procedures for “financial intermediaries”, since there are still some open issues. Regarding the testing activities of the first phase of the Spanish reform, despite some progress is perceived since last summer, participants require additional testing for particular scenarios, such as the handling of corporate actions. The participation of the foreign CCPs in the testing activities is also deemed necessary by Iberclear participants.

### **4.2. Iberclear**

After the announcement of the delay of the first phase of the Spanish reform, Iberclear’s T2S migration plan has been modified to include the new dates. Iberclear expects to start Community Testing without delay with respect to the already agreed calendar for wave 4, but the feasibility of this plan will be assessed in the coming months. New functional documentation for the second phase of the reform, including the Manual of Procedures (MOP), will be published at the end of November.

### **4.3. Banco de España**

The NUG was informed about the info sessions that Banco de España is organizing for the T2 participants on relevant issues regarding the adaptation to T2S on the cash side.

## **5. T2S in operations**

T2S platform is running smoothly, except for just a few isolated incidents. The Service Desk is fully operative and the Settlement Managers and Crisis Managers participate in the daily operations, according to the Manual of Procedures (T2S MOP)

## **6. T2S harmonisation work stream**

The NUG was informed about the publication of the Sixth Harmonisation Report of the HSG, and the progress of the different markets in their compliance with the harmonisation standards.

The group was reported about the decisions to be taken by the Advisory Group in their meeting of the 16<sup>th</sup> and 17<sup>th</sup> of November, among which are:

- Approve the new revised standard for T2S matching fields, so that only matching fields defined by the T2S UDFS are used in or outside the T2S platform.
- Approve the reversion of the standard “Client of the CSD participant”, until the identification of retail investors is sufficiently harmonized in Europe.
- Share with the European Commission the results of the fact finding exercise on the conflict of laws issues in T2S markets.

Information on the results of the fact finding exercise on the conflict of laws issues in T2S markets, launched by the HSG before the summer, was provided. The NUG was invited to provide feedback to contribute to the report for the European Commission.

## **7. Changes in the T2S software**

The latest change requests to T2S, stemming from the needs identified by the different markets during their testing activities and the time in operation of the platform, were summarized. It was outlined that the assessment of the functioning of T2S against the Spanish market expectations has to be made.

## **8. AOB**

The next NUG meeting will take place ahead of the AG meeting in February 2016.

The slide presentations (in Spanish) used during the meeting will be available in the BdE 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 XXV Meeting of the Spanish NUG, November 12<sup>th</sup>, 2015**

**Group members**

Jesús López Pedruelo (Presidente)  
Montserrat Jiménez de Lago (Secretaria)  
Fernando Castaño  
Luis Miguel Rodríguez Caramelo  
Bárbara Gullón  
Jesús Benito  
Jaime Silió  
Zaneida Voces  
Fernando García Rojo  
Daniel Saeta  
Amadeo Lázaro  
Claudio Sancho Corrales  
Valentín Cerdán  
María José Teva Vázquez  
Miguel Juan Díaz  
María del Rosario Bejarano Navas  
Juan Carlos Colinas Jiménez  
Manuel Pedro Ceverino Curiel  
Francisco Béjar  
Thomas Steimann

**Observers**

Alberto Palacios Elorriaga  
Mayte Arráez  
M<sup>ra</sup> Ángeles Colombás  
Alberto Romera

**Institution**

Banco de España  
Banco de España  
Banco de España  
BdE / T2S Board  
CNMV  
Iberclear  
Iberclear  
CECA  
BBVA  
BBVA  
Santander  
Santander  
Caixabank  
Caixabank  
Bankia  
Bankia  
Banco Popular  
Banco Popular - T2  
BNP Paribas SS  
Deutsche Bank  
  
Bolsa de Bilbao  
Banco de España-4CB  
Banco de España-4CB  
Banco de España