

# TARGET2-SECURITIES

## National User Group

Madrid, 20 November 2012 – (11.30-14.00). Sala Europa

### 1. Introductory remarks.

The chairman welcomed the participants of the Spanish National User Group, with special attention to Soledad Núñez, member of the T2S Board.

### 2. Update on the status of the project.

The chairman debriefed the group on the recent developments of the T2S Project since the last NUG meeting:

In the next meeting of the Governing Council a new T2S Progress Report will be presented. It includes a proposal for the timing and composition of the migration waves for the participating CSDs. It also highlights that the possible approval of the four Change Requests (CR) which are under consideration for detailed assessment by 4CB might represent a risk for the planned go-live of T2S.

In the last meeting of the Advisory Group (AG), it was discussed the issue of the Directly Connected Participants (DCPs). Users were invited to express, if appropriate, their intention of becoming a DCP in T2S in one or more CSDs before the next AG meeting.

With respect to the connectivity to T2S, the members were informed about the MoU between LinkUp Markets and SWIFT. Representatives of Iberclear clarified that, although cooperation with SWIFT is part of their business strategy, the signing of bilateral agreements between SWIFT and each CSD of LinkUp Markets would still be required.

Regarding T2S documentation, a new version of URD will be published after the next meeting of the Governing Council. This new version contains the changes previously approved and for which AG asked for detailed assessment in March 2012.

### 3. 4CB Status Report.

The NUG was updated on the progress in developing the T2S platform. More information can be found in the presentation published in Banco de España website<sup>1</sup>.

### 4. Reporting on the process of adaptation of Iberclear to T2S.

The NUG was debriefed on the process of adaptation to T2S that Iberclear is undergoing, in line with the information provided to the CSG in its last meeting. More information can be found in the presentation published in Banco de España website<sup>2</sup>.

---

<sup>1</sup> [http://www.bde.es/ff/webbde/SPA/sispago/doc\\_trabajo/ficheros/4CB\\_Status\\_Report.pdf](http://www.bde.es/ff/webbde/SPA/sispago/doc_trabajo/ficheros/4CB_Status_Report.pdf)

<sup>2</sup> [http://www.bde.es/ff/webbde/SPA/sispago/doc\\_trabajo/ficheros/es/NUG\\_20.11.2012\\_Iberclear\\_Status\\_reporting.pdf](http://www.bde.es/ff/webbde/SPA/sispago/doc_trabajo/ficheros/es/NUG_20.11.2012_Iberclear_Status_reporting.pdf)

Some participants expressed their concern about the tight planning for the user developments in the first phase of the Reform of the Spanish register and settlement systems (“the Reform”). Iberclear agreed to modify the “key risk status” of the Spanish market accordingly (i.e. from “green” to “yellow”), in the next reporting to the CSG.

## **5. Reporting on the process of adaptation to T2S by the market and other issues of common interest. Tour-de-table.**

During the tour-de-table, participants had the opportunity to inform about the status of the process of adaptation to T2S of their respective institutions and to share other concerns regarding the Project.

With respect to the four Change Requests which are currently undergoing a detailed assessment by the 4CB, the members of the Spanish NUG are of the view that these four CR are not considered “showstoppers” from their perspective. The fact that, as a consequence of the T2S Project and the Reform, Iberclear is developing a new system from scratch provides them with great flexibility to adapt to T2S specifications. Nonetheless, representatives of Iberclear considered CR 351 and CR 356 features that would facilitate their business.

With regard to the CR T2S\_0364\_SYS, some members were of the opinion that the CR could be considered as a way to maintain national specificities (conflicting with the harmonisation in T2S) and that it could make the cross-border settlement more complex in some cases.

## **6. Harmonised conditions for Direct Connected Participants.**

The NUG was debriefed on the harmonized conditions for Direct Connected Participants (DCPs), and more particularly, the legal dispositions established in the Framework Agreement and operational issues described in the technical documentation of T2S.

### **Reporting on the activities of T2S substructures:**

## **7. CSD Steering Group (CSG).**

Jesús Benito (Iberclear) reported on the recent CSG activities:

- The group approved the CR 339 (“additional testing environments”).
- Regarding the Synchronisation Point 3 (SP3), the group considers the calendar too tight, and compliance with SP3 could be postponed to Q1 2013.
- The group agreed the establishment of a Task Force, in which the market and authorities are represented too, with the aim of defining the moments of irrevocability and enforceability of account entries and transfer orders in T2S. For this purpose, a consultation to the NUGs is expected to be launched between December and January.
- Regarding the methodology to define the relative weight of each CSD in the voting process of the CSG, it was agreed to use the Blue Book figures until the go-live of T2S, despite the fact that Spanish figures for stock exchange trades are considered not accurate, due to the settlement process. However, once the Reform has been completed and the foreseen CCP is in place, these figures will change.

With respect to the Settlement Finality, several participants reminded that the definition of the moment of Settlement Finality in T2S is a crucial step, necessary to make further progress in the project of Reform, since this is one of the pending issues.

#### **8. Task Force on Adaptations to Cross-CSD Settlement (TFAX).**

The NUG was debriefed on the final report of the TFAX, which is going to be presented to the AG.

#### **9. Corporate Actions Sub-Group (CASG).**

The NUG was debriefed on the recent activities of the CASG.

#### **10. Harmonisation Steering Group (HSG).**

The NUG was informed on the draft of the Third Harmonisation Report that is now under revision by AG members and it is subject to comments until 15<sup>th</sup> January.

#### **11. AOB.**

The next meeting will take place in February, previous to the AG meeting dates (27-28 of February).

The slide presentations (in Spanish) used during the meeting will be available in 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 I.**

**Participants in the XVII Meeting of the Spanish National User Group, 20th November 2012.**

**Group Members**

Jesús López Pedruelo  
Jesús Pérez Bonilla  
Manuel de la Riva  
Montserrat Jiménez de Lago  
Luis Miguel Rodríguez Caramelo  
Jesús Benito Naviera  
Félix Redondo Gaitón  
Luis Vía  
Pilar Clavería  
Jose Luis Rebollo Palomero  
José Carlos Viñuelas, in substitution of Zaneida Voces  
Adolfo García Pérez  
Marcos Santos Centenera  
García Rojo, Fernando  
Carlos Vivas Sotillos  
Manuel Pedro Ceverino Curiel  
Ángel Bayo Puyuelo  
María José Teva Vázquez  
Florentino Arias  
María del Rosario Bejarano Navas  
Pablo García Estévez, in substitution of Santiago Róspide  
Lily Corredor  
Francisco Béjar, in substitution of Alvaro Camuñas  
Lydia Mena, in substitution of Manuel Pineda  
Thomas Steimann

**Observers**

Soledad Núñez Ramos  
Alberto Palacios Elorriaga  
Rafael García Sánchez  
Leyún, Fernando

**Intitution**

Banco de España  
Banco de España  
Banco de España  
Banco de España  
T2S Board  
Iberclear  
Iberclear  
MEFF  
AEB  
CECA  
CECA  
Santander  
Santander  
BBVA  
Banco Popular  
Banco Popular  
CaixaBank  
CaixaBank  
Bankia  
Bankia  
Bankia  
Ibercaja  
BNP Paribas Sec.Serv.  
Citibank  
Deutsche Bank

T2S Board  
Bolsa de Bilbao  
Santander  
Banesto