

# TARGET2-SECURITIES

## National User Group

Madrid, 13 June 2013 – (11.00-14.00). Sala Europa

### **1. Introductory remarks.**

The chairman welcomed the participants of the Spanish National User Group.

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

The chairman debriefed the group on the recent developments of the T2S Project:

With respect to T2S Connectivity through the Dedicated Link services, the Governing Council approved in principle the text of the draft DiCoAs Agreement between the Eurosystem and the potential users of the Dedicated Link services, as well as the pricing methodology. Likewise, it authorized the T2S Board to offer the service in such conditions to the potential users. Demand for the service will be known by the end of June.

In its March meeting, the Governing Council also approved the four Migration Waves as it was advanced in the NUG meeting in February.

The chairman highlighted that Synchronisation Points 3 had been met by all actors. Such milestone marks the mutual assessment and confirmation by the Framework Agreement signers that the T2S Programme Plan and the CSDs' and the Central Banks' plans are comprehensive and adequately reflect any agreed additional specifications or deliverables.

In relation to the discussions concerning the Restriction Model in T2S, and specifically the number of MSAs, the CSG has announced that the enhancement proposed by the Eurosystem (CR390) is deemed sufficient to accommodate the current needs of the CSDs. Moreover, a procedure to make transparent the rules applied by every CSD is being defined, so that impact of such rules on cross-border settlement is limited.

The CSD created by Bank of New York Mellon (BNYM CSD) signed the Framework Agreement on the 17th of May.

As regards the harmonisation agenda, the chairman drew attention to the work on the CSD Regulation (CSDR), where it seems that a Council agreement under the Irish Presidency will not be achieved.

### **3. Update on the project for the reform of the registry clearing and settlement system in Spain.**

The Spanish regulator, CNMV, updated the NUG members on the status of the reform of the registry clearing and settlement systems in Spain, and the main operational modifications that will be introduced. Iberclear completed CNMV presentation with a more detailed calendar (provisional) of the reform. It was highlighted that the specifications on the new CCP will be published in September.

### **4. Reporting on the latest activities of the CSD Steering Group.**

Jesús Benito (Iberclear) reported about the last CSD meeting, on the 22 and 23 May in Madrid. Regarding the Restriction Model and the MSAs, he highlighted that CSDs have assessed internally the impact of the rules applied in the relevant markets and have reached the

conclusion that the cross-border propagation of these has a very limited impact. Nevertheless, they ask for a clear emergency procedure should the restriction model be enhanced in the future, e.g. owing to new legal requirements that could be imposed. The rules to be applied by each CSD in T2S will be made public in September. These rules will be then analysed by the new HSG/AG substructure, the *Cross-border Market Practices Sub-Group* (XMAP), with the aim of assessing their impact on cross-border settlement.

With respect to the Settlement Finality 1, Jesús Benito informed that an agreement has not been reached yet, and that CSDs and some NCBs have differing opinions as regards the moment of finality for a DvP instruction.

Finally, the NUG was updated on the issue of direct connectivity to T2S that will be discussed in the next meeting of the Advisory Group in Malta.

#### **5. Developments in the Spanish market in the process of adaptation to T2S 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 their concerns regarding the Project. In general, the NUG members show comfort with the delivering of the document of the Reform (although they still think that the schedule is very tight) and with the overall evolution of CSDR discussions, in particular regarding the deadline for compliance with the T+2 rule.

#### **6. Reporting on the process of adaptation of Banco de España to T2S.**

Banco de España reported about its developments in the progress of adaptation to T2S; in particular about its compliance with the Synchronization Point 3 and about the four different ways to connect to T2S regarding the cash management. In the next T2 NUG meeting this issue will be explained in more detail.

#### **7. 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 ECB. It was clarified that in the Status Dashboard SP3 is not shown as “completed” because it was reported before that milestone was achieved. The only risk detected relates to the reform project: implementation of phase 1 has been postponed to Q2 2015. However, no impact on the global adaptation plan to T2S is expected, as long as no other major delay occurs.

#### **8. Information about T2S substructures.**

Banco de España provided an update on the work of different substructures:

- *Change Review Group* (CRG): the T2S Programme Office has launched a consultation on the “*standard allevement periods*”, to provide feedback by end of July.
- *Cross-border Market Practices Sub-Group* (XMAP): this recently created group will assess issues with an impact on cross-border settlement in T2S.
- *Corporate Actions Sub-Group* (CASG): CASG launched its annual survey “*Standards Gap Analysis*”, and invite all NUGs to provide feedback until September.
- *Task Force on Settlement Finality*: this Task Force of the CSG focus their discussions on how to define the moment of entry of a transfer order into the system “SF1”.

## **9. Information about testing and migration activities.**

The NUG was debriefed on testing and migration activities. After the final confirmation of the composition for the four migration waves, it has been possible to draw up a detailed schedule per wave for user testing and migration to T2S, and also to begin outlining the contingency plan. User Testing can only start once the Eurosistema meets the Synchronisation Point 6, expected for September 2014. From this time forth, and after the relevant testing activities have potentially taken place, CSDs will have to “accept” T2S by April 2015. The deadline for the Certification of CSDs and NCBs is April 2016. However, CSDs and NCBs wishing to start Bilateral Testing only after October 2014 should flag their interest by 28<sup>th</sup> June 2013. CSD Participants in Wave 4, will start Community Testing on the 10<sup>th</sup> October 2016. As regards the migration phase, CSDs and NCBs must confirm their assumption of migration activities by October 2013. NCBs which so wish will be able to open Dedicated Cash Accounts (DCAs) for their participants as for Wave 1.

## **10. AOB.**

The NUG is informed that the next meeting will take place before the ext AG meeting (19 and 20 November 2013).

Likewise, the participants are reminded about the upcoming events of interest:

- T2S Info Session in Malta, 18-19 June.
- T2S Dedicated Info Session on User Testing and Migration in Frankfurt, 3 July.
- T2S Info Session in Lisbon, 5 September.
- SIBOS 2013 in Dubai, 16-19 September

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 XIX Meeting of the Spanish National User Group, 13<sup>th</sup> June 2013**

**Group Members**

Jesús López Pedruelo  
Jesús Pérez Bonilla  
Manuel de la Riva  
Montserrat Jiménez de Lago  
Luis Miguel Rodríguez Caramelo  
Bárbara Gullón  
Jesús Benito  
Félix Redondo  
Luis Vía  
Patricia Rodríguez, en sustitución de Pilar Clavería  
José Carlos Viñuelas, en sustitución de Zaneida Voces  
Adolfo García Pérez  
Claudio Sancho Corrales  
Ángel Bayo Puyuelo  
María José Teva Vázquez  
Florentino Arias  
Lily Corredor  
Carlos Luengo Gómez-Cambronero  
Francisco Béjar, en sustitución de Álvaro Camuñas  
Thomas Steimann

**Observers**

Soledad Núñez Ramos  
Alberto Palacios Elorriaga  
Rafael García Sánchez  
Eduardo García-Hernández Carnero  
Fernando Castaño  
M<sup>a</sup> Ángeles Marqués  
Maite Arráez González  
Alberto Romera

**Intitution**

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

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