



# T2S countdown – 7 months, 2 weeks, 4 days to go live

Forum T2S 2014 – Milan, 4 November 2014

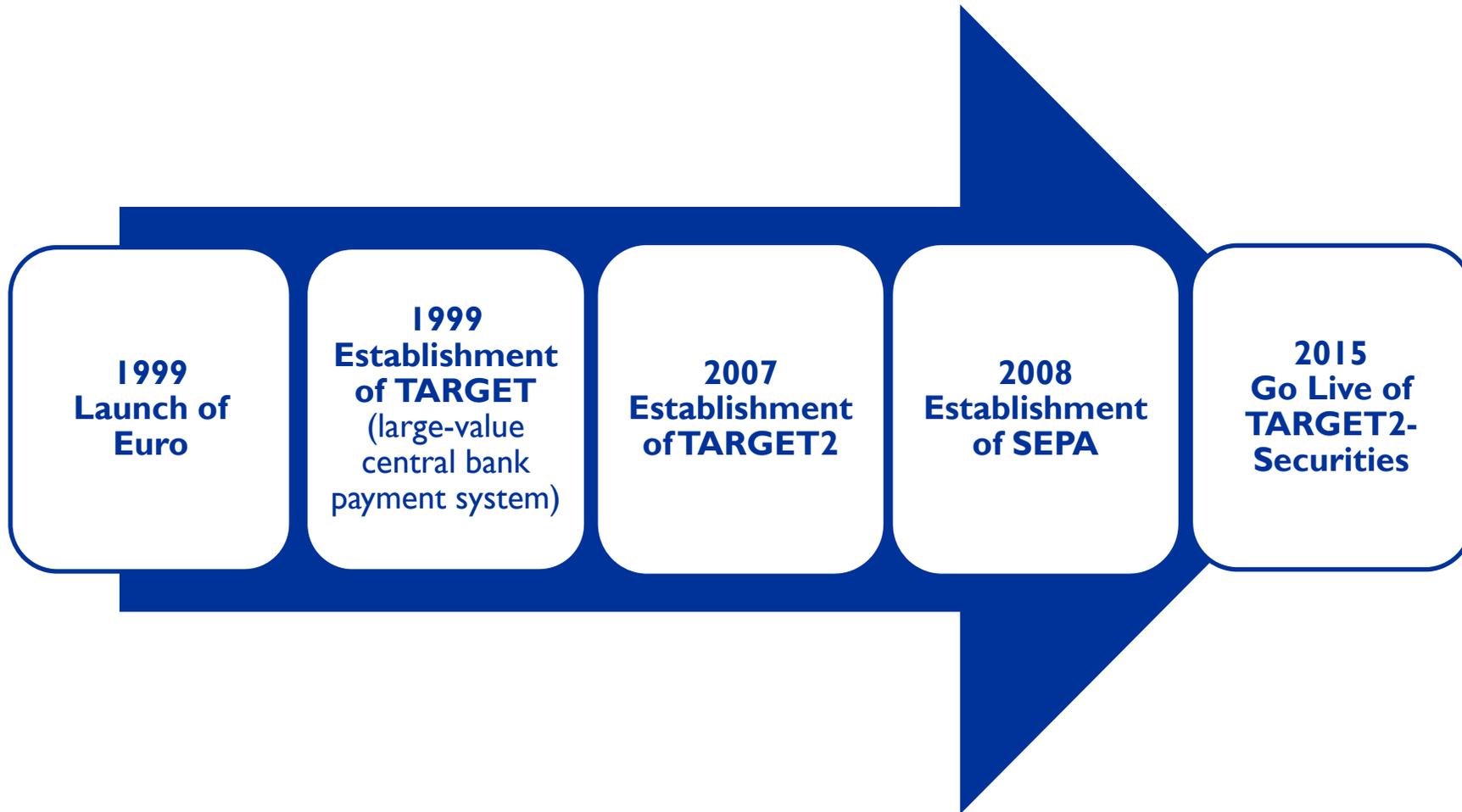
Meike Ströter  
DG MIP  
European Central Bank



- 1** A historical perspective and reminder of some key facts of T2S
- 2** Progress achieved and way ahead
- 3** Count down keeps going



# T2S – A milestone for European Financial Market Integration





# Some T2S Programme Key Facts

## Concept

T2S is a technical solution to support Central Securities Depositories (CSDs) by providing core, borderless and neutral settlement services.

## Objective of T2S

To achieve harmonised settlement in Central Bank Money (CeBM) in euro and other eligible currencies for substantially all securities in Europe.

## Settlement Only

Integrated settlement model, BUT the CSDs participating in T2S, and the Central Banks (CB) who make their currencies available for settlement in T2S, will keep full control over the business and contractual relationships with their customers.

## Role of Eurosystem

The Eurosystem will manage and operate the business application and the technical solution which provides the T2S Services.



# The T2S Community

## Status of T2S

24 CSDs (nearly 100 % of EUR settlement volume)

Eurosystem NCBs and Danish central bank

Their users

T2S as an open system: further CSDs and currencies can join

Any fungible ISIN can be settled (FoP or against EUR/DKK CeBM)



- 1** A historical perspective and reminder of some key facts of T2S
- 2** Progress achieved and way ahead
- 3** Count down keeps going



# The T2S Programme Plan

## Achievements of T2S



Software development complete

4CB have completed testing and delivered software to Eurosystem and future Users

All Synchronisation Points (SPs) scheduled have been met so far

### Synchronisation points (SP)

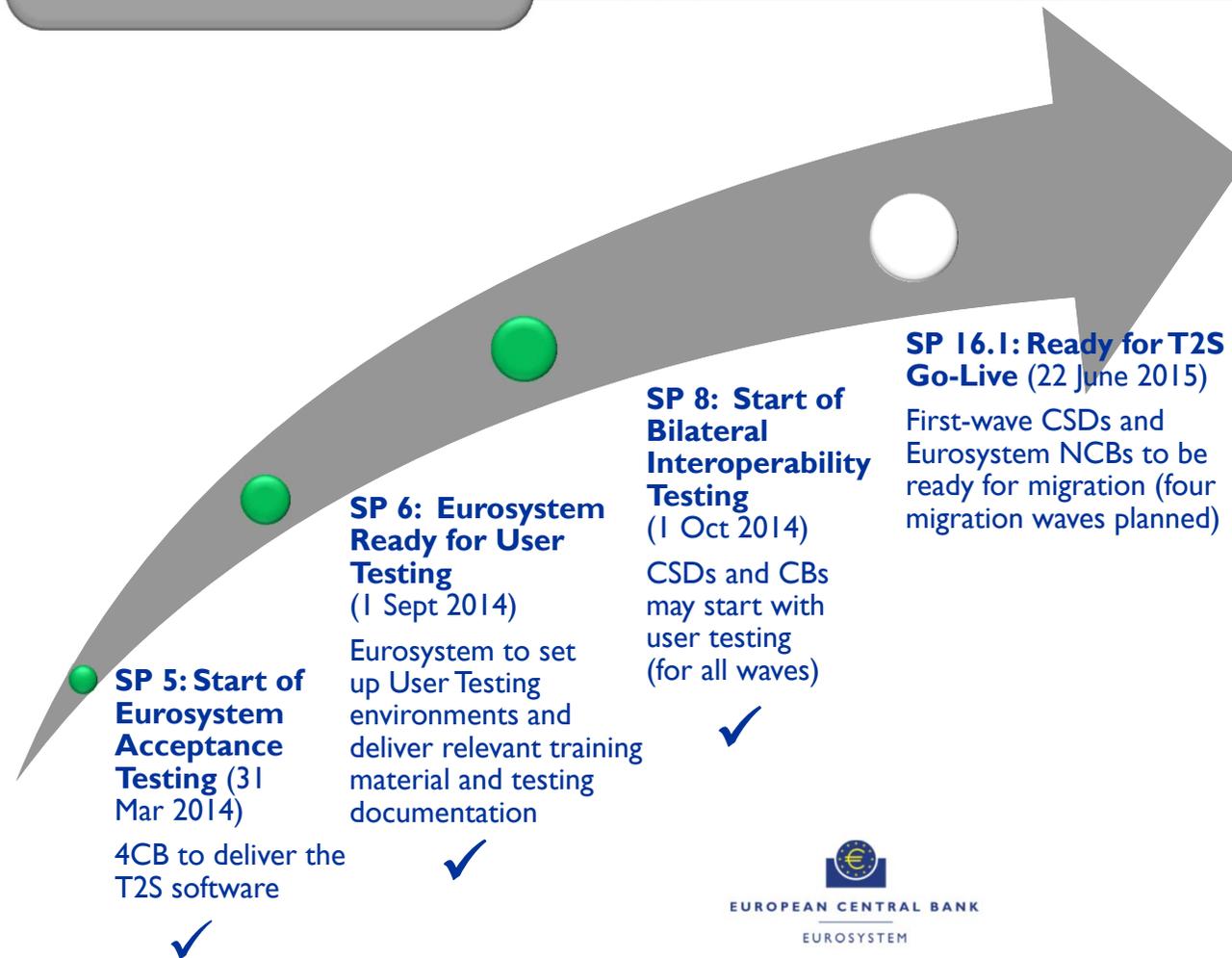
#### Definition:

- Monitoring milestones,
- Represent the check points between the T2S Programme Plan and the reshaping/adaptation project plans of the CSDs/CBs participating in T2S.

# Recent Key milestones achieved

## Challenge

- All T2S stakeholders (Eurosystem, central banks, CSDs, banks) to be ready in time for testing and migration to T2S





# T2S Harmonisation: What is it?

Harmonising existing practices



## OBJECTIVE

T2S Community is working to create a single rulebook for post-trade processes around T2S.

## COVERAGE

21 T2S markets, comprising

- 24 CSDs,
- 19 NCBs, and
- their user communities

## Driven by

T2S Advisory Group

- Defines standards
- Monitors compliance

### T2S Special Series

- In January 2014, a new paper from the T2S Special Series entitled “Corporate Actions in T2S” has been published, and in **September 2014** “T2S: From issuer to investor” (see [www.t2s.eu](http://www.t2s.eu)).

### Directly Connected Participants

- On **3rd March 2014**, 13 institutions on the securities side and 23 on the cash side expressed a binding commitment to become a DCP from the first wave.

### 4<sup>th</sup> Harmonisation Progress Report

- On **19 March 2014** the T2S Advisory Group published the Fourth T2S Harmonisation Progress Report which focuses on monitoring the compliance of T2S markets with the harmonisation standards.

### European Parliament adopts the CSD Regulation

- On 15 April 2014 the EU Parliament adopted the text of the CSD Regulation. The CSDR was **published on 28 August 2014**.

### Best practice proposals for moving to T+2

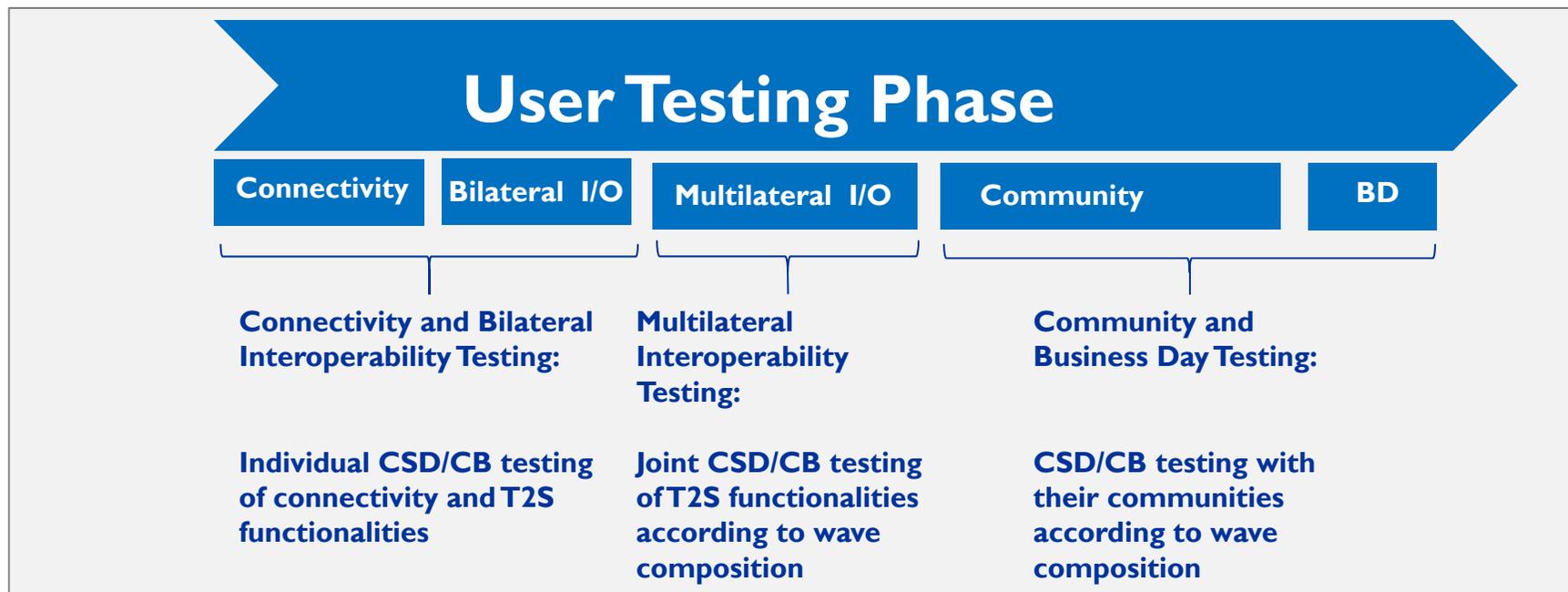
- The T2S Harmonisation Steering Group (HSG) has endorsed a number of [proposals](#) for T2S market participants and public authorities to consider as best practices for moving to T+2. These proposals have subsequently been endorsed as well by the T2S Board **02 June 2014**.

### T2S training

- The T2S “train the trainer” programme has been launched and as per **October 2014**, the first series has been almost completely delivered. Training sessions are offered at the ECB/4CB and remotely via webinar.

- 1** A historical perspective and reminder of some key facts of T2S
- 2** Progress achieved and way ahead
- 3** Count down keeps going

- T2S User Testing is conducted in five distinct stages
- This allows for gradual increase of test case complexity and number of testing participants





# Migration waves

(endorsed by ECB GvC November 2013)



## wave 1

- Bank of Greece Securities Settlement System (BOGS)
- Depozitarul Central (Romania)
- Malta Stock Exchange
- Monte Titoli (Italy)
- SIX SIS (Switzerland)

## wave 2

- Euroclear Belgium
- Euroclear France
- Euroclear Nederland
- Interbolsa (Portugal)
- National Bank of Belgium Securities Settlement Systems (NBB-SSS)

## wave 3

- Clearstream Banking (Germany)
- KELER (Hungary)
- LuxCSD (Luxembourg)
- Oesterreichische Kontrollbank (Austria)
- VP Lux (Luxembourg)
- VP Securities (Denmark)

## wave 4

- BNY Mellon CSD (Belgium)
- Centrálny depozitár cenných papierov SR (CDCP) (Slovakia)
- Eesti Väärtpaberikeskus (Estonia)
- Euroclear Finland
- Iberclear (Spain)
- KDD - Centralna klirinško depotna družba (Slovenia)
- Lietuvos centrinis vertybinių popierių depozitoriumas (Lithuania)
- LCD - Latvijas Centralais depozitārijs (Latvia)



# Optimising the use of collateral

T2S – a single gateway for your collateral management

T2S de ECB euro

The video player displays the T2S logo, which consists of the European Union flag (a circle of twelve gold stars on a black background) to the left of the stylized 't2s' text. Below the 't2s' text, it reads 'TARGET2-SECURITIES'. The video content shows two hands pointing to the text 'T2S - a single gateway for your collateral management' written on a white surface. The video player interface includes a progress bar at the bottom showing '0:04 / 3:38' and various control icons.



# Optimising the use of collateral



www.t2s.eu

# Wrap-up and information on T2S

News & Publications | Governance | Stakeholders | Programme Plan | Harmonisation | Pricing

### T2S Spotlight

**New T2S publications**  
**Fourth T2S Harmonisation Progress Report**  
 The T2S Advisory Group has published the Fourth T2S Harmonisation Progress Report. The report focuses on monitoring the compliance of T2S markets with the harmonisation standards that have been defined so far. The current status of implementation in all T2S markets is presented via a 'traffic light' approach.  
**The next T2S Info Session, to be held in London on 4 April 2014**  
 BNY Mellon will host the next T2S Info Session in London on 4 April 2014. Sign up via e-mail at [t2s@ecb.europa.eu](mailto:t2s@ecb.europa.eu).  
[→ Browse previous T2S Spotlights](#)

### Key statements



**Mario Draghi**, President of the ECB, opened the joint ECB-Commission conference on "Post-trade harmonisation and financial integration in Europe" (19 March 2013), stressing the key role of T2S as driver for European financial integration: "In terms of infrastructure, T2S is the necessary platform for setting up a single European market for securities services." Read the [→ full text of the speech or watch the video](#) .



Speaking about the progress towards a single European market **Yves Mersch**, Member of the Executive Board of the ECB noted how: "Important progress is also being made at the operational and business levels. The most notable example mentioned by many today is T2S, a project with huge potential for market integration." Read the full [→ Speech or watch the video](#) .



Speaking at the Bank of Japan, **Jean-Michel Godeffroy** asks whether it is possible for T2S to become a model for securities settlement that can be applied to other regions: "Looking beyond Europe, [...] Can T2S be beneficial in other regions in the world that are looking for economic integration without necessarily looking for monetary integration?" Read the [→ speech](#) .

### T2S OnLine - Quarterly review - No 17, Winter 2013



- [→ Editorial](#)      [→ Insight - Part 1](#)
- [→ T2S Project update](#)    [→ Insight - Part 2](#)
- [→ T2S OnLine Archive](#)

### Press Room

Easy access for the press to the latest information about the T2S project.  
[→ T2S Spotlight](#)  
[T2S Youtube channel](#)

## T2S on the web

- Publication of all relevant information and key documents
- Access to documents of all T2S working groups
- 'Spotlight' on latest news
- Insights on project plan, governance, pricing, harmonisation
- Ad hoc sections dedicated to all stakeholder categories (CSDs, banks, NCBs, others)
- Publication of newsletter 'T2S OnLine'

### T2S OnLine - No 17, Winter 2013



**No 17 – 20 DECEMBER 2013**

- Editorial
- News from the T2S project
- Insight

**T2S ONLINE - QUARTERLY REVIEW**

# Thank you for your attention

[www.t2s.eu](http://www.t2s.eu)

@T2SECB 

T2S on 