

Market consultation feedback on T2S Economic Impact Analysis

Comments on the proposed methodology

submitted by

Swiss National User Group

Nbr	Page	Line	Topic	Comments on the proposed methodology	Suggested drafting change	Confid. Y/N
1		5	2nd parag. Direct Holding Markets	How are the volumes of Direct Holding Markets taken into consideration? Are they equivalent to transactions of CSDs without direct holding concept?		N
2		9	1.3.2. Annualised addition CSD investment costs	The calculations for the adaptation costs for software, documentation, contracts and operations by the CSDs will be a key figure for the EIA. In general CSDs have no experience in such exercises. Would it not be helpful to revert back to IT Service Providers (consultant firms) being involved in IT and BP Outsourcing to support the CSDs in this exercise?		N
3		10	Table 4 Template for the cash flow of additional CSD investment costs for lining to T2S	We are missing the consideration of CSD savings due to not necessary investments into the existing settlement infrastructure (replacement, replacement planing, enhancements, etc) in awaiting the switch to T2S	CSD savings on ordinary system replacement and enhancement costs (settlement system) which would be necessary without T2S	N
4		11	1.4. last sentence	The total cost cover not only the DvP but also the FOP settlement process incl. the the cash settlement where applicable	The total cash cover the entire settlement process (Delivery-versus-Payment and Free-of-Payment), including the respective cash settlement	N
5		13	2.1.3. Saving for T2S Users due to T2S point 1) Transactions cost savings	Current settlement cost must be compared with total cost per settlement instruction as per chapter 1.4 and not only with the average T2S fee as per chapter 1.2.5	Transaction costs savings - the difference between the average fee charged by settlement service providers (CSDs or custodian banks) for core settlement services today and the total average cost per settlement instruction as calculated in chapter 1.4 of this note.	N