



8 July 2016

## SUMMARY OF THE 15<sup>th</sup> MEETING OF THE T2S DCP GROUP (DCPG)

*Held in Madrid at the Palacio de la Bolsa, Madrid on the 15 June 2016*

### **0. Welcome and approval of the agenda**

Mr Topa (Chairperson) welcomed the participants and the participants approved the agenda for the meeting.

### **1. Review and update of recent issues**

#### **1.1 DCP consolidated list**

The members of the DCPG were informed that the updated DCP's consolidated list included two new A2A DCPs declared by Clearstream Bank Frankfurt taking place after the last deadline for DCP declarations for wave 4 (11 April 2016). Mr Topa also informed of the next deadlines to provide the list of U2A DCP declarations for the Final Wave (13 December 2016)

#### **1.2 CRG update**

Ms Birkel (ECB) debriefed the DCPG members on the outcome of the CRG discussions and CRG presentation during the CSG earlier that day. The CSG approve CR605 (Multiplex Editorial Change Request on UDFS and UHB) and CR616 (Multiplex Editorial Change Request on UDFS and UHB). She informed on the releases 1.1.5, 1.2 and 1.3, whereby one ticket will be removed from release 1.1.5 and change request CR594 will be included into release 1.2. She informed of the newly raised Change Requests for future releases and the pending topics that were discussed concerning Change Requests stemming from the UTSG, CRG and PMG meetings. The presentation will be included with the summary.

Ms Birkel also indicated that there would be some CRs raised for the GUI stemming from the "Technical Workshop on the T2S GUI usability" of the 8 June 2016. Mr Topa asked the outcome from the GUI workshop could be shared with the DCPG members. Ms Birkel confirmed and said that they would also publish the presentation.

Ms Karen, informed the DCPG members to provide their views concerning the open consultation on CR580 (Additional automatic intraday reimbursement of NCB auto collateralisation instructions), which deadline is 24 June 2016. The outcome of the DCPG consultation will be sent to the CRG for discussion. CR580 was raised by Banque de France requesting to have an additional six slots for an automatic

reimbursement process. Ms Tobiasch (Bundesbank) asked to review the on the interdependency of CR580 with CR541 (bulk auto-collateralisation release), whereby Ms Woernle (Deutsche Bank) mentioned that the functionalities described in CR541 is much broader than that of CR580 and explained that CR580 would be triggered on an automatic basis on at fixed times, while CR541 is triggered manually by the Payment Banks, for all types of hold instructions and not only limited to auto-collateralisation. It was also mentioned that information from the ICPs could be useful for CR 580 and that potentially WGT2 may initiate a similar written procedure.

### **1.3 T2S Technical Workshop on Settlement Optimisation**

With regards to the “Technical Workshop on the T2S GUI usability” on the 8 June 2016, Ms Birkel mentioned that the CRG is currently working on detailing the critical business cases for which a predefined order is considered necessary and possible solutions.

### **1.4 XMAP update**

Mr Terol informed the DCPG members on the current update on the XMAP concerning the update on the “Catalogue of the restriction rules” where all of wave 4 CSDs are included, only missing the CSDs from the Final Wave which will be included in the next update. He also explained the colour codes used in the catalogue whereby “red” indicates a high cost and a high risk of the investment and “black” means that the service is not available to the investor CSD. Asked about the deadline to receive restriction rules from the Investor CSD, Mr Terol mentioned that the CSD commitment is to present all the restriction rules six months before the start of community testing. It was later clarified that it may be logic to apply different deadlines for restriction rules implemented as issuer or investor CSDs, since the latter may depend on the restriction rules implemented by other CSDs as issuer.

Mr Terol further informed on the discussion concerning the settlement of bearer and registered shares whereby it was suggested that a solution could be to segregate the type of shares by securities account (bearer and registered shares) and how this would incur in an additional cost for the Investor CSD as this would cause the Investor CSDs to replicate realignment accounts. Other suggestions were discussed such as; do nothing, segregate accounts, harmonise a procedure, Clearstream suggested the possibility of creating a dummy or artificial CSD between Issuer and Investor CSD by which transactions with bearer shares would settle via the direct link, while transaction with registered shares would settle through the dummy CSD path. The options will be taken to the CSG and T2S Board.

## **2. Information from other T2S groups, CBs and CSDs**

The DCPG members were invited to take note of the information provided in this section, originating from other T2S groups, CBs and CSDs activities on items that are also relevant for the DCPs.

### **2.1 Information from Central banks**

Ms Tobiasch informed the DCPG members that as a consequence of the “T2S Technical workshop on 23 Feb 2016, on T2S cash forecast and message output optimization” the German NUG might be raising three new change requests, two concerning the cash forecast and one to enable the triggering in T2S of a cash sweep.

## **2.2 Information from CSDs**

Mr Pattyn (ESES) informed the DCPG members about the T2S Service Continuity Management as expressed in the T2S Manual of Operational Procedures chapter 10. Making special emphasis on the; Major Failure, Regional Disaster, Rebuilding Process, Service Continuity Testing and T2S Service Continuity Test/Restart After Recover (RAD). He stressed that the CSDs will have less control under these situations in T2S than they do currently and the CSDs cannot provide full information to the DCP as it will be the 4CB/ECB that will control the situation. Concerning the RAD testing, he mentioned that it would be the DCPs that would need to send instructions to T2S, instead of the CSDs.

### **2.2.1 Operational procedures:**

Due to time constraints the DCPG members were not debriefed on the signing of the Collective Agreement, the deadline was 6 June 2016.

## **3. Open Issues Register**

Due to time constraints the open issues register was not reviewed. Miscellaneous

### **3.1 Any Other Business**

Mr Topa presented the request for consultation sent by Mr van An del (ABN AMRO) concerning LBBW: Fixed Income Bulletin: Belgium Settlement Agents and the answers that had been received so far. The deadline to reply was the 17 June 2016. The result of the consultation revealed that all replies agreed with AMB AMRO's proposal to use T2S functionalities (including NBB-SSS). It was concluded that the described issue only affects NBB-SSS, thus, Mr Topa suggested discussing the topic outside of the T2S scope in the local User Committee, to which Mr van An del was in agreement. Nevertheless, the results for the local user committee on this topic would be interesting for the DCPG.

### **3.2 Roles and procedures for DCPs handling operated accounts: harmonization across CSDs.**

Mr Ferraroni (Intesa Sanpaolo) opened the discussion concerning the declaration of operated account for legal entities and formal binding declaration by an entity that is not connected directly to the platform. It was agreed that this topic had been discussed in the past and Ms Amend indicated that it was understood that case of a DCP acting on behalf of another bank, which is not declared as a DCP would need to be declared and reported as a DCP and prepare themselves for testing and certification in T2S.

Mr Topa asked the CSDs in the DCPG meeting if they could share the past documentation with the DCPG and they agreed that the documentation could be presented in the DCPG meeting. However, Mr Ferraroni indicated that there was no need to further clarify the topic.

### **3.3 Future DCPG meetings**

Mr Topa informed that the next DCPG meeting will be on the 5 July 2016 in Frankfurt on the first day after the AG meeting, which has been cancelled and a conference call will be held on Monday 11<sup>th</sup> July 2016 at 13:00 to 14:00 hours.