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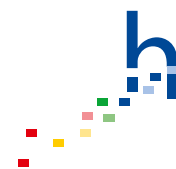
# Fifth T2S Harmonisation Progress Report

T2S Advisory Group  
13 April 2015



harmonisation





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## Abbreviations

### Countries (covered in the report)

AT Austria	IT Italy
BE Belgium	LT Lithuania
CH Switzerland	LU Luxembourg
DE Germany	LV Latvia
DK Denmark	MT Malta
EE Estonia	NL Netherlands
ES Spain	PT Portugal
FI Finland	RO Romania
FR France	SI Slovenia
GR Greece	SK Slovakia
HU Hungary	

### Others

AFME	Association for Financial Markets in Europe
AG	T2S Advisory Group
BSG	Broad Stakeholders Group
CAJWG	Corporate Actions Joint Working Group
CASG	(T2S) Corporate Actions Sub-group
CPSS	Committee on Payment and Settlement Systems
CSD	central securities depository
CSG	(T2S) CSD Steering Group
CSDR	CSD Regulation
DCA	dedicated cash account (in T2S)
DCP	directly connected party
DvP	delivery versus payment
ECB	European Central Bank
ECSDA	European Central Securities Depositories Association
E-MIG	European Market Implementation Group
EPTG	European Post Trade Group
ESCB	European System of Central Banks
ESMA	European Securities and Markets Authority
FISCO	Clearing and Settlement Fiscal Compliance expert group
HSG	(T2S) Harmonisation Steering Group
IOSCO	Technical Committee of the International Organization of Securities Commissions
NUG	(T2S) National User Group
PSSC	Payment and Settlement Systems Committee
SP	Synchronisation Point
SSS	securities settlement system
SFD	Settlement Finality Directive
T-BAG	Tax Barriers Business Advisory Group
TFAX	Task Force on adaptation to cross-CSD settlement in T2S
UDFS	T2S User Detailed Functional Specifications (v.1.21, 07/09/2012)
URD	T2S User Requirements Document (v.5.02, 07/09/2012)
XMAP	T2S Cross-border market practice sub-group



## Preface

Only two months remain until T2S goes live in June 2015, when a first group of five central securities depositories (CSDs) will migrate to the new European settlement platform provided by the Eurosystem. By February 2017 a further 19 CSDs will have joined them.

T2S has the potential to make settlement across all participating CSDs safe, efficient and harmonised. The extent to which this potential will materialise, bringing benefits to CSDs, their users and the entire European post-trade industry, largely depends on all stakeholders adapting to and using T2S in a harmonised way. This is why both the Eurosystem and the T2S community of stakeholders consider post-trade harmonisation to be a central objective of T2S and a key contributor to the integration of financial markets in Europe.

Over the last few years the T2S Community has been working to create a single rulebook for post-trade processes (messaging protocols, operating hours, regulatory and legal rules, etc.) across the 21 European markets and 24 CSDs that will connect to T2S. All rules and standards referred to in this publication have been endorsed by the T2S Advisory Group (AG), i.e. by representatives of market infrastructures, national central banks and financial intermediaries. AG members are committed to achieving full compliance with the harmonisation standards in their respective markets and are supporting their markets in this goal.

Will all T2S markets achieve compliance with the T2S harmonisation standards before they migrate to T2S? This report presents the status as at March 2015, with a particular focus on the level of harmonisation achieved by the markets in the first T2S migration wave. It analyses recent progress and identifies gaps and obstacles that require further action.

The next publication is planned before the next T2S migration wave (scheduled for March 2016).

## Key messages

- This report shows that **good progress has been made since the last reporting cycle (completed in July 2014) regarding compliance of the T2S markets with the T2S harmonisation standards.** This is particularly important for the five markets migrating to T2S in June 2015, i.e. Italy (Monte Titoli), Romania (Depozitarul Central), Malta (Malta Stock Exchange), Switzerland (SIX-SIS) and Greece (BOGs).
- **Common standards are already defined in 17 harmonisation areas,** 15 of which are given high priority, i.e. the objective is to have the standards implemented by all markets by the time they migrate to T2S.
- The deadline for full implementation of the standards depends on the migration wave of the respective T2S market. **Markets in the first T2S migration wave must comply by 22 June 2015. The report shows that full compliance is expected by that date.** Only two cases remain (i.e. one standard each for two markets) where compliance will not be achieved by that date. The T2S Board is monitoring these two cases closely, including the implementation plans for achieving full compliance after their migration to T2S.
- **Looking at all T2S markets, including beyond wave 1, for most of the 14 prioritised standards that are monitored, no major obstacles to achieving full compliance in time are anticipated. The only area where full compliance requires corrective action from some T2S markets is related to the T2S corporate actions standards.** However, considerable progress has been observed there, too. In July 2014, 11 T2S markets identified numerous obstacles preventing them from complying with the T2S corporate actions standards before migrating to T2S. This number has now been reduced to five, only one of which is in the first migration wave. The impact of these five cases on the overall efficiency of the T2S settlement environment is being analysed carefully by the T2S Board.
- In most cases, **this good progress reflects the efforts of the T2S National User Groups (NUGs), which have reached agreement on detailed implementation plans.** These plans now include public dates for testing and migration readiness, and, where relevant, the national authorities have already adopted the necessary regulation, or have confirmed that they will soon do so.
- An important result is the **agreement among the T2S stakeholders on the Settlement Finality I rule (SF I),** i.e. the moment when transfer orders are declared to have entered the system and are therefore protected against insolvency procedures.<sup>1</sup> The report shows that a coordinated SF I framework is in place for the safe launch of T2S, with harmonised rules for both the securities settlement systems (SSSs) run by CSDs on the one hand, and the payment systems run by national central banks on the other. Moreover, CSDs and central banks are now engaged in jointly developing a more advanced solution, which will define a single SF I rule for all T2S stakeholders, valid for both securities and cash. While strongly supporting the work towards this enhanced solution, the AG acknowledges that the agreement reached so far is enough to ensure safe and efficient cross-CSD settlement in T2S, at least for the time being.
- **Only one gap remains as regards the definition of harmonised standards for the high-priority T2S harmonisation activities: the standards relating to settlement discipline.** These are expected to be adopted by the EU public authorities in the second half of 2015 within the context of the CSDR level 2 legislation. The AG provided a detailed response to ESMA's consultation paper on the CSDR technical standards, on which comments were invited between

<sup>1</sup> As per Art. 3 of the Settlement Finality Directive 98/26/EC.



December 2014 and February 2015.<sup>2</sup> In particular, while welcoming the “single post-trade rule book” proposed by ESMA for the definition of the regulatory technical standards, the AG also expressed some important concerns about ESMA’s proposals. It invited ESMA to avoid regulating certain commercial and technical implementation choices available to the CSD industry (e.g. IT platforms to potentially develop a jointly managed cash penalty system). Moreover, the AG called for an appropriate extension period for the entry into force of the new rules, and pointed to the risk of generating instability in the European market infrastructure if this were not granted.

- It is clear at this stage that it will not be possible to finalise the EU settlement discipline regime before T2S goes live, despite its being a high-priority harmonisation area for T2S. The AG recognises that although this outcome is suboptimal, it is still manageable. It means that, for the time being, and until the relevant EU regulatory standards are in place, CSDs and their participants will continue operating within the existing national discipline frameworks. The AG would welcome an implementation timeline whereby the migration of all T2S CSDs and the expected development of cross-border settlement activity will be followed by the establishment of a harmonised EU settlement discipline regime.
- **For the rest of 2015** the AG will focus its harmonisation efforts on, but not limit them to, **monitoring the implementation plans of the T2S markets that will migrate to T2S in March 2016 (migration wave 2)**, i.e. Belgium (both Euroclear and NBB-SSS markets), France (Euroclear), the Netherlands (Euroclear) and Portugal (Interbolsa).
- Finally, **the AG will take steps to foster progress in the remaining harmonisation activities in the longer run.** This requires coordinated efforts by the T2S Community and the Eurosystem, together with the relevant public authorities. **Some of these harmonisation issues are also likely to gain renewed momentum in the context of the European Commission’s capital markets union initiative.** The AG is very supportive of this initiative and plans to provide a response on behalf of the T2S Community to the Commission’s consultation (closing on 13 May 2015).

<sup>2</sup> <http://www.ecb.europa.eu/paym/t2s/governance/ag/html/index.en.html>

# 1 Executive summary

The T2S Community<sup>3</sup>, the Governing Council of the ECB and EU public authorities share the view that post-trade harmonisation, as part of the EU's financial integration process, is a key objective of T2S. The idea underpinning this view is that financial market integration needs to be complemented and supported by integration of the underlying infrastructure. The creation of T2S constitutes the Eurosystem's most fundamental contribution to market infrastructure integration, and it is widely recognised that the technical and operational harmonisation fostered by T2S, coupled with the legal and regulatory harmonisation agenda currently pursued by EU legislators, is a crucial ingredient for the creation of a single market for settlement services in Europe. This concept is also in line with the EU Commission's objective to create a capital markets union.

Since 2011 harmonisation progress reports have been published regularly by the AG, a group comprising over 90 senior officials from the T2S Community, including central banks, CSDs and market participants from all T2S markets, i.e. markets where at least one CSD has signed up for T2S.<sup>4</sup> Harmonisation is one of the group's central deliverables, as stated in its mandate. Harmonisation work is coordinated by the ECB with the help and guidance of the T2S Harmonisation Steering Group (HSG), a dedicated substructure of the AG set up in 2011.<sup>5</sup>

The first two T2S harmonisation progress reports (issued in July 2011 and January 2012) concentrated on identifying the T2S-relevant harmonisation issues and the actors whose action was required to resolve those issues. The third (March 2013) and the fourth (March 2014) focused on monitoring the compliance of T2S markets with the agreed standards. Finally, the 2014 mid-year update (July 2014) reported updated information on the T2S markets' work on harmonisation ahead of the start of T2S user testing.

The current, fifth report contains updates since the AG's latest publication in July 2014. It covers a total of 21 EU markets, which comprise 24 CSDs, and the status of 24 harmonisation activities.

<sup>3</sup>The T2S Community is a community of stakeholders comprising market infrastructures, national central banks, financial intermediaries and observers from trade associations.

<sup>4</sup>The list of all CSDs that have signed the T2S Framework Agreement is available in the CSD section on the T2S website.

<sup>5</sup>Read more about the AG and the in the relevant section of the T2S website.



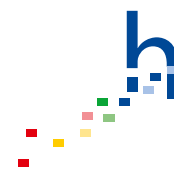


Table 1 shows the status of all of these activities as regards the definition of a T2S standard, the launch of a monitoring process for assessing the level of compliance of T2S markets, and the overall compliance level observed at this stage.

**Table 1: Status dashboard of the T2S harmonisation activities (as at 23/03/2015)**

Activities – priority 1			Definition	Monitor	Compliance
1	T2S Messages	T2S ISO 20022 messages	G	G	G
2		T2S mandatory matching fields	G	G	G
3		Interaction for registration	G	G	G
4		Interaction for tax info	G	G	G
5	Schedule for the settlement day		G	G	G
6	T2S Corporate actions standards		G	G	R
7	Legal harmonisation	Settlement finality I (moment of entry)	G	X	X
8		Settlement finality II (irrevocability of transfer order)	G	G	G
9		Settlement finality III (irrevocability of transfers)	G	G	G
10		Outsourcing IT services	G	G	B
11	Settlement discipline regime		Y	X	X
12	Settlement cycles		G	G	B
13	CSD Account structures	Availability of omnibus accounts	G	G	B
14		Restrictions on omnibus accounts	G	G	G
15	T2S Accounts Numbering	Securities accounts numbering	G	G	G
16		Dedicated cash accounts numbering	G	G	G
Activities – priority 2			Definition	Monitor	Compliance
17	Legal harmonisation	Location of securities account/conflicts of law	R	X	X
18	Corporate actions market standards	CA market (CAJWG) standards	G	G	Y
19	Place of issuance		Y	X	X
20	Tax procedures	Withholding tax procedures	R	X	X
21	Shareholder transparency - registration		R	X	X
22	Market access		Y	X	X
23	Securities amount data		G	G	G
24	Portfolio transfer		Y	X	X

T2S harmonisation activities are broken down according to the priority that the AG has assigned to them in the context of T2S. **Priority 1 activities** are necessary to ensure efficient and safe cross-CSD settlement in T2S. The AG aims to complete the definition process for these standards, ideally, before the launch of T2S. All markets should be ready to operate in compliance with the standards by the time they migrate to T2S.

Regarding **priority 2 activities**, which are also key for the enhancement of the competitive environment and the efficiency of T2S, the AG has agreed to continue pursuing them after the T2S launch. Once standards have been defined, however, T2S markets should aim to comply with them prior to their migration to T2S.

Regarding the definition column in Table 1, green indicates that the process is complete (i.e. a standard/rule is endorsed at the T2S or EU level). At the other end of the spectrum, red means that there is currently a major obstacle to completing the definition process (or there are no actors working on a standard) and that urgent action is needed to facilitate the process.

As far as monitoring is concerned, green means that a monitoring and reporting framework has been implemented and results are regularly reported.

Regarding the compliance column in Table 1, blue indicates that no further action is required in any of the T2S markets. Green shows that implementation is on track overall. Yellow indicates that some technical and regulatory barriers still need to be addressed by certain national markets. Finally, red indicates that there are important barriers to fully implementing the standard in some markets and thus corrective action is required from private actors and national authorities.

More details on the colour scheme are available in Annex 1 (Methodology).

As regards progress since the July 2014 report, the following can be observed in Table 1.

**Definition process** – At present 17 out of a total of 24 standards are defined. It is important to note that a defined set of standards is only missing for one priority 1 activity, namely settlement discipline. The progress made since the last reporting cycle is largely thanks to the adoption of the CSDR level 1 legislation in August 2014, which affected a number of activities. The forthcoming adoption of the CSDR level 2 standards is expected to move forward the definition process for three more activities (settlement discipline regime, freedom of issuance and market access).

The T2S Community has also reached an agreement on Settlement Finality I, i.e. a common rule to be adopted by all CSDs in T2S defining the moment of entry of a transfer order into the system. The AG considers the agreement reached to be sufficient in order to ensure safe cross-CSD settlement in T2S. In addition, CSDs and central banks will continue to work together to define a more advanced solution and align SF I rules in the SSSs and payment systems. The AG welcomes this initiative (more information is provided in Section 3.7).

Three activities are assigned a red definition status in this report (location of securities accounts, shareholder transparency and tax procedures). This is due to the need to tackle legal barriers in the securities sphere, the lack of progress in terms of shareholder transparency and the finding that the recommendations issued by the Commission's Tax Barriers Business Advisory Group (T-BAG) are at present not recognised by all markets as agreed standards. The latter finding prompted the AG to reassess the activity on withholding tax procedures and change its status back to red. This explains why there are three activities with a red definition status, compared with two in the previous report.

**Monitoring process** – All T2S markets are now fully monitored to assess their compliance with the harmonisation standards. There are well-established and agreed monitoring frameworks, deadlines and responsible actors for further action in each market. The share of activities now being monitored has increased from 63% (15 out of 24) in the mid-year report to 67% (16 out of 24) in the current one. 88% of activities marked as first priorities are among those being monitored (compared with 81% in the mid-year report).

**Compliance status** – The rate of compliance of T2S markets has improved marginally, with three activities marked in blue (no further monitoring required), 11 activities in green and only one activity marked in red out of a total of 16 monitored (compared with one blue, 12 green and one red out of 16 in the mid-year report).

Despite the very good progress made in the last few years on priority 1 activities, there are still significant steps ahead to remove the remaining technical and regulatory barriers and ultimately achieve a truly open and efficient cross-border settlement environment in the EU and in T2S. Since the publication of the previous T2S harmonisation progress report, there has been little progress as regards the definition of new priority 2 standards and, consequently, the launch of new monitoring



exercises. This is mostly owing to the fact that the elimination of a number of post-trade harmonisation barriers is dependent on the progress in the current EU legislative initiatives in this field and on other EU-wide initiatives, the scope of which goes beyond T2S.

**Summary of monitoring results**

Important results are presented in this report with reference to the 16 harmonisation activities that are monitored, as shown in the table below. For more information, see Annex 2.

**Table 3 (from Annex 2): Compliance status per T2S market (as at 23/03/2015)**

T2S Markets	Priority 1																Priority 2	
	1	2	3	4	5	6	8	9	10	12	13	14	15	16	18	23		
	T2S messages ISO 20022	Mandatory Matching fields	Interaction with T2S (Registration)	Interaction with T2S (Tax procedure)	Schedule of settlement day	T2S CA standards	T2S Settlement finality II	T2S Settlement finality III	Outsourcing IT (Settlement) services	Settlement cycle	Availability of omnibus accounts	Restrictions on omnibus accounts	Securities account number	Cash account number	CA market standards (CAJWG)	Securities account data		
AT	G	G	B	B	G	Y	B	B	B	B	B	B	G	G	G	B		
BE – BNYM	G	G	G	G	G	G	G	B	B	B	B	B	G	G	Y	G		
BE Euroclear	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	G	B		
BE – NBB-SSS	G	B	B	B	G	G	B	B	B	B	B	B	B	G	G	B		
CH	G	G	B	B	R - Mar 2016	G	G	G	B	B	B	B	G	NA	G	B		
DE	G	G	B	B	G	R - 7	G	G	B	B	B	B	G	G	G	B		
DK	G	G	B	B	G	G	B	Y	B	B	B	B	G	G	G	B		
EE	G	G	B	B	G	G	B	G	B	B	B	B	G	G	Y	B		
ES	G	G	G	B	G	G	B	B	B	G	B	B	G	B	G	B		
FI	B	B	B	B	G	G	B	B	B	B	B	Y	B	G	Y	B		
FR	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	Y	B		
GR – BOGS	G	G	B	B	G	G	B	G	B	B	B	B	G	G	G	B		
HU	G	G	B	B	G	G	B	G	B	B	B	B	G	NA	R	B		
IT	G	G	B	B	G	G	B	G	B	B	B	B	G	B	G	B		
LT	G	G	B	B	G	G	Y	Y	B	B	B	B	G	G	R	B		
LU – LUXCSD	G	G	B	B	G	G	G	B	B	B	B	B	G	G	Y	B		
LU – VP LUX	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B		
LV	G	G	B	B	G	Y	G	Y	B	B	B	B	G	G	G	G		
MT	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B		
NL	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	G	B		
PT	G	G	B	B	G	G	G	G	B	B	B	B	G	B	G	G		
RO	G	G	B	B	G	R - Feb 2017	B	G	B	B	B	B	G	G	Y	B		
SI	G	G	B	B	G	G	G	G	B	B	B	B	G	G	R	G		
SK	G	G	G	B	G	G	G	G	B	B	B	Y	G	G	R - No info	G		

A specific colour, based on a four-colour scheme, reflects the compliance status of each T2S market for the 16 monitored activities detailed in this harmonisation progress report. 21 European national markets are covered; however, where more than one CSD exists in a given market, each “CSD market segment” is monitored separately. The AG focuses its analysis on T2S markets rather than specific T2S actors (CSDs, etc.) since there is a common understanding that harmonisation compliance is a coordinated effort across the entire market, involving national market infrastructures, their clients and national authorities.

Red is assigned to markets that are not going to fully comply with a given standard by their T2S migration date.<sup>6</sup> Yellow means that there are obstacles which may prevent the achievement of full compliance by the migration deadline, or that detailed plans are still missing. Green indicates the existence of a full compliance plan provided by the relevant NUG. Finally, blue means the relevant T2S market is already operating according to the T2S standard. More details on the colour scheme methodology used by the AG are available in Annex 1.

Based on the latest monitoring results, as shown in Table 3, the following can be observed.

- Wave 1 results: Table 3 shows that good progress has been made regarding compliance of the wave 1 T2S markets with the T2S harmonisation standards (i.e. Italy (Monte Titoli), Romania (Depozitarul Central), Malta (Malta Stock Exchange), Switzerland (SIX-SIS), and Greece (BOGs)).

**Table 5 (from Annex 2)**

T2S Markets	Priority 1														Priority 2	
	1 T2S messages ISO 20022	2 Mandatory Matching fields	3 Interaction with T2S (Registration)	4 Interaction with T2S (Tax procedure)	5 Schedule of settlement day	6 T2S CA standards	8 T2S Settlement finality II	9 T2S Settlement Finality III	10 Outsourcing IT (Settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions on omnibus accounts	15 Securities account number	16 Cash account number	18 CA market standards (CAJWG)	23 Securities amount data
CH	G	G	B	B	R - Mar 2016	G	G	G	B	B	B	B	G	NA	G	B
GR – BOGS	G	G	B	B	G	G	B	G	B	B	B	B	G	G	G	B
IT	G	G	B	B	G	G	B	G	B	B	B	B	G	B	G	B
MT	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B
RO	G	G	B	B	G	R - Feb 2017	B	G	B	B	B	B	G	G	Y	B

- In total, 384 statuses across all of the standards are monitored in the current report, compared with 360 in the previous one. The share with green/blue statuses, i.e. full compliance is either already achieved or implementation is well on track, increased from 89% to 93% between July 2014 and March 2015. The corresponding figure for red/yellow statuses decreased from 11% to 7% during the same period. The share of purely red statuses, i.e. the most critical barriers, also decreased from 4% to 3% (see Annex 2).
- Looking at the priority 1 standards only, 336 statuses are monitored in the current report, compared with 312 in the previous one. For these standards, the share of green/blue statuses increased from 91% to 95% between July 2014 and March 2015. The corresponding figure for red/yellow statuses decreased from 8% to 4% during the same period. The share of purely red statuses also decreased from 4% to 2% (see Annex 2).
- Most of the cases of non-compliance remain in the field of corporate actions standards.<sup>7</sup> However, considerable progress has been observed there too. In the July 2014 report, 54% of T2S markets

<sup>6</sup> In column 18 (CAJWG standards), the red status reflects a stock-taking statistical compliance status, i.e. they are based on the percentage of the market (CAJWG) CA implemented in each T2S market. The European Market Implementation Group (E-MIG) is responsible for the monitoring process.

<sup>7</sup> Additional information on the T2S standards for processing corporate actions on flows in T2S can be found in a paper from the T2S Special Series, published in January 2014 and available in the publications section of the T2S website.



were facing numerous obstacles in complying with the T2S corporate actions standards prior to their migration to T2S and were given red or yellow implementation statuses. The corresponding figure has now decreased to 29%.

- As regards market corporate actions standards (i.e. the standards defined by the Corporate Actions Joint Working Group, or CAJWG), only one T2S market is outside the monitoring process. Since the last reporting cycle there has been a very small improvement with respect to the overall compliance status. Most of the T2S markets have reported progress in their adoption of EU market standards on corporate actions processing.

### Next steps

Regarding the next steps for fostering progress in the T2S harmonisation agenda, work will intensify as the different T2S migration phases approach (starting in June 2015). In particular, the AG is planning the following actions during 2015.

- The main focus of 2015 will be on completing the work on priority 1 activities, with the aim of achieving green definition status for the settlement discipline regime and green statuses for Settlement Finality I as far as definition, monitoring and compliance are concerned.
- Pending the adoption of the CSDR level 2 standards, the AG will assess whether the T2S Community needs to take any further action on the affected T2S harmonisation activities (i.e. settlement discipline regime, market access and freedom of issuance).
- The AG will continue assessing the impact of the non-compliance cases on the rest of the T2S Community. The AG will provide its advice to the T2S Board accordingly.
- The AG will closely monitor the compliance and implementation plans of the migration wave 2 markets (migration date 28 March 2016). It will also assess the actual compliance achieved by the markets in the first T2S migration wave during live operations.
- The AG will seek to encourage progress on the priority 2 activities, in cooperation with market stakeholders and public authorities. In this context, the AG welcomes the European Commission's initiative on capital markets union and will give its input in response to the Commission's Green Paper.
- The next T2S harmonisation progress report will be published at the end of 2015/beginning of 2016, before the second T2S migration wave (scheduled for 2016).

#### How to read the report

It is advisable for readers to first familiarise themselves with the T2S harmonisation methodology used for compiling the report and the tables, including the criteria for assessing the compliance status of T2S markets – all this reference information is to be found in Annex 1.

The reader can then go into the description of each of the 24 activities. A snapshot of the “traffic light” status of each activity in terms of definition, monitoring and compliance, as well as in terms of compliance per market is included in the respective section.

For an overview of the status of all T2S markets, please refer to Annex 2 (the table on compliance per market).

For background information regarding the compliance status of each T2S market, please consult Annex 4. This Annex contains a high-level summary of the information provided by each T2S market during the relevant surveys and monitoring processes.

## 2 Introduction

The fifth T2S harmonisation progress report is published by the AG with the help of the HSG. The report is also delivered to the T2S Board, i.e. the T2S management body, which in turn presents some key results to the Governing Council of the ECB.

### **The T2S project and post-trade harmonisation**

T2S is the future IT platform of the Eurosystem for the settlement of securities transactions in central bank money, and is set to start operations in June 2015. The platform will help overcome the current fragmentation in the securities settlement layer of the European post-trade landscape, thus making an important contribution to the establishment of a single market for post-trade securities services.

The T2S Community, through the AG, has engaged in post-trade harmonisation to answer the market's request to deliver T2S in a harmonised post-trade environment: the full benefits of an integrated settlement platform can only be obtained if market rules surrounding settlement are harmonised across participating markets. In addition, a high level of harmonisation and standardisation ensures that the T2S operational blueprint, a "lean T2S", does not perpetuate national specificities that could undermine the T2S project plan and the system's efficiency. Finally, post-trade harmonisation represents an important contribution to the integration of financial markets in Europe. It is therefore part of the EU Single Market agenda in the field of financial services.

The importance of T2S for financial integration in Europe is also illustrated in the ECB's report on "Financial integration in Europe", published in April 2014.

### **T2S harmonisation list**

The report addresses in detail a total of 24 activities, which are currently managed by the ECB team under the guidance of the HSG and with the endorsement of the AG. They are based on AG agreements, HSG proposals, the work of AG substructures, analysis conducted by the ECB team and other initiatives in the EU by both the public and private sectors. The report provides the following information for each harmonisation activity:

- a short definition of the activity;
- the concrete objective of the activity;
- details on the current compliance status of T2S markets;
- the implementation deadline;
- the responsible monitoring actor(s)
- the monitoring process required, including interim deadlines prior to the implementation deadline.

T2S harmonisation activities are broken down into priority 1 and priority 2 topics.

***Priority 1 activities are necessary to ensure efficient and safe cross-CSD settlement in T2S. The HSG and the ECB team should focus on these activities as first priorities for resolution and implementation prior to the markets' migration to T2S.***

The T2S activities marked as priority 1 are the following:

1. T2S ISO 20022 messages;
2. T2S mandatory matching fields;
3. interaction with T2S (registration procedures);
4. interaction with T2S (tax info requirements);
5. T2S schedule for the settlement day and calendar;



6. T2S corporate actions standards;
7. Settlement Finality I;
8. Settlement Finality II;
9. Settlement Finality III;
10. IT outsourcing (settlement services);
11. settlement discipline regime;
12. settlement cycles;
13. availability of omnibus accounts;
14. restrictions on omnibus accounts;
15. securities account numbers;
16. dedicated cash account numbers.

***Priority 2 activities are not essential to ensure safe and efficient cross-CSD settlement in T2S, but they are key for the enhancement of the competitive environment and the efficiency of T2S, and could continue to be pursued after the markets' migration to T2S.***

The T2S activities marked as priority 2 are the following:

17. location of securities accounts/conflict of law;
18. corporate actions market standards;
19. place of issuance;
20. withholding tax procedures;
21. cross-border shareholder transparency and registration procedures;
22. market access and interoperability;
23. securities amount data;
24. portfolio transfers.

### **Structure of the report**

The report is structured as follows:

- Section 3 provides updated information on priority 1 harmonisation activities, including an overview of the compliance status of the T2S markets, where relevant;
- Section 4 provides updated information on priority 2 harmonisation activities, including an overview of the compliance status of the T2S markets, where relevant;
- Annex 1 describes the methodology used for compiling the T2S harmonisation list, the dashboard and the T2S markets' compliance table, including the four-colour scheme;
- Annex 2 features a table summarising the compliance status in all T2S markets for the 16 harmonisation standards monitored in the fifth report;
- Annex 3 features the AG impact analysis of the six T2S markets' non-compliance (red statuses) with the T2S standards. The AG presents this analysis to the T2S Board for any further actions;
- Annex 4 reports the detailed results of the monitoring exercise broken down by T2S market;
- Annex 5 provides background information on the AG as the body in charge of this report, including the list of members.

### 3 T2S harmonisation activities – priority 1

**Priority 1 activities are necessary to ensure efficient and safe cross-CSD settlement in T2S. The HSG and the ECB team should focus on these activities as first priorities for resolution before the T2S launch and for implementation prior to the markets' migration to T2S.**

#### T2S messages

The following four sections cover all activities aimed at harmonising the use of settlement messages across T2S markets. Besides the use of a common list of messages and matching fields, this also includes T2S best market practice regarding the use of T2S messages for non-settlement information (specifically relating to registration and fiscal status).

#### 3.1 T2S ISO 20022 messages

##### Activity description

The objective of this activity is to monitor the development and implementation of the T2S ISO 20022 messages.

T2S ISO messages are part of the technical specifications/requirements for T2S actors' interaction with the T2S services. T2S actors that do not comply with T2S ISO messages will not be able to connect to and communicate with the T2S technical platform (including during testing).

T2S markets are to achieve compliance before migration to T2S (depending on their migration wave).

##### Activity status

Priority 1 – activity no 1	Definition	Monitoring	Compliance
T2S ISO 20022 MESSAGES	G	G	G

##### **T2S STANDARD:**

**T2S actors will communicate with the T2S technical platform using a set of ISO 20022 compliant messages (130 messages in total), customised to the specific needs of T2S. The full catalogue is presented in Section 3 of UDFS v.1.2.1.<sup>8</sup>**

Most of these messages will be ISO 20022 registered after T2S goes live. The AG (via the T2S Sub-group on Message Standardisation<sup>9</sup>) and the 4CB<sup>10</sup> were the main actors in charge of the definition process for this activity.

As agreed by the AG, the compliance monitoring of T2S markets concerning T2S matching fields started in the context of the CSD/central bank feasibility assessment process (SP2 and SP3<sup>11</sup>) and continues as part of the quarterly client readiness monitoring coordinated by the ECB team.

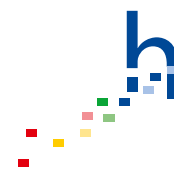
<sup>8</sup> T2S UDFS v.1.2.1 is available in the key documents section of the T2S website. The list of messages is available in Section 3.3 of UDFS.

<sup>9</sup> For more information on the T2S Sub-group on Message Standardisation, please visit the relevant page of the T2S website.

<sup>10</sup> The four national central banks of Germany, Spain, France and Italy that were mandated by the Governing Council of the ECB to develop and operate T2S.

<sup>11</sup> Synchronisation Points (SPs) are points in time at which the T2S programme is to reach specific objectives. There are 17 SPs, leading up until the point when all CSDs will have migrated to the new platform. The purpose is to monitor, at given time intervals, whether the progress of all parties is in line with the T2S Programme Plan. SP2 marked the confirmation by CSDs and central banks that it was feasible to adapt their IT systems and processes to interoperate with T2S. SP3 marked the mutual assessment and confirmation that the T2S Programme Plan is fully comprehensive and adequately reflects all specifications and planning elements. More information on the T2S Programme Plan can be found at <http://www.ecb.europa.eu/paym/t2s/progplan/html/index.en.html>.





### Compliance status of T2S markets

All T2S markets have provided their plans as to how and when to implement the T2S ISO 20022 messages. No operational or regulatory barriers have been reported. Finland is the first T2S market to have started using ISO 20022 messages in day-to-day operations (blue status).

CSDs are participating in T2S testing activities (which started in October 2014) using the T2S ISO messages.

Blue	FI
Green	AT, BE (BNYM), BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, ES, FR, GR (BOGS), HU, IT, LT, LU (LuxCSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Yellow	None
Red	None

*Information input: SP2 and information from NUGs.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

### Monitoring

Implementation date	Migration to T2S (depending on migration wave). CSDs are participating in T2S testing activities (which started in October 2014) using the T2S ISO messages.
Monitoring actors	T2S team, NUGs.
Monitoring process	Compliance was monitored by the ECB team using the information included in the CSD/ central bank feasibility assessments and bilateral discussions where needed (in the context of SP2 and SP3). Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.

## 3.2 T2S mandatory matching fields

### Activity description

The objective of this activity is to ensure that all T2S markets use the T2S mandatory matching fields in a standardised way for settlement in T2S. Non-compliance with the standardised matching fields might negatively affect matching rates in T2S, thus leading to inefficiencies and a possible cost increase for the other CSDs in the T2S Community.

In addition, the existence of a single and exhaustive list of mandatory matching fields allows T2S actors (e.g. investor CSDs, intermediaries) to access all T2S markets without the need for managing divergent and mandatory specificities in the settlement transaction flow. This ensures a level playing field, independently of the location of matching services within the T2S markets.

T2S markets are to achieve compliance before their migration to T2S (depending on their migration wave).

### Activity status

Priority 1 – activity no 2	Definition	Monitoring	Compliance
T2S MANDATORY MATCHING FIELDS	G	G	G

**T2S STANDARD:**

**T2S actors are required to use as mandatory matching fields only the ones described in UDFS v. 1.2.1, available on the T2S website.<sup>12</sup>**

The single list of T2S mandatory matching fields is applicable to all settlement in T2S (settlement in T2S securities and cash accounts) and all matching activities (CSD matching services taking place either in T2S or outside the T2S platform).

This standard only covers mandatory matching fields. As such it does not rule out CSDs and their participants using additional information/fields in their settlement instructions where applicable. This information may be necessary for CSDs providing certain ancillary services to their participants (e.g. repo and collateral services).

Regarding the harmonisation of the non-mandatory matching fields, the AG has agreed to ask the HSG to work further on identifying new standards or best market practices regarding their usage by T2S actors. This work would be a medium-term objective within the T2S harmonisation agenda and run in parallel to the T2S markets' migration to T2S.

**Compliance status of T2S markets**

The ECB team has received detailed information on the T2S markets' plans to adapt to the T2S matching fields requirements.

All T2S markets have explicitly reported that they will fully comply with the T2S mandatory matching fields (green status) and are participating in T2S testing activities (which started in October 2014) using the mandatory matching fields standards. Finland and the National Bank of Belgium SSS are the first T2S markets to have already started using T2S mandatory matching fields in day-to-day operations.

Blue	Fi, NBB-SSS
Green	AT, BE (BNYM), BE (Euroclear), CH, DE, DK, EE, ES, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Yellow	None
Red	None

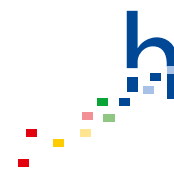
*Information input: SP2, SP3 and bilateral discussions.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 5.

**Monitoring**

Implementation date	Migration to T2S (depending on migration wave). CSDs are participating in T2S testing activities (which started in October 2014) using the mandatory matching fields standards.
Monitoring actors	ECB team, NUGs.
Monitoring process	The compliance monitoring of T2S markets started in the context of the CSD/central bank feasibility assessment process (SP2 and SP3) and continues as part of the ongoing monitoring of the T2S markets' implementation plans by the ECB team.

<sup>12</sup> See T2S UDFS (v.1.21, 07/09/2012), Section 1.6.1.2 for definitions and lists. T2S matching fields are also in line with the matching standards put forward by the European Securities Forum (ESF) and the European Central Securities Depositories Association (ECSDA) in 2006 and available on the ECSDA website.



### 3.3 Interaction with T2S (registration procedures)

#### Activity description

The objective of this activity is to establish T2S best market practice regarding the exchange of registration-related information in T2S.

The adoption of a homogeneous practice across all T2S markets aims to ensure that registration procedures do not interrupt straight-through processing nor hamper smooth cross-CSD settlement in T2S, affecting the system's efficiency (e.g. by putting instructions on hold).<sup>13</sup> Non-compliance would impose back-office costs on other instructing parties and discourage cross-CSD activity in T2S.

The target date for T2S markets to have adopted a common market practice in this field is their migration to T2S (depending on their migration wave).

#### Activity status

Priority 1 – activity no 3	Definition	Monitoring	Compliance
INTERACTION WITH T2S (REGISTRATION PROCEDURES)	G	G	G

**T2S STANDARD:**  
**Registration details should not be exchanged via T2S messages.**

The standard is based on the TFAX's analysis, which showed that the possibility of using T2S messages to transmit registration data would raise several issues with cross-CSD settlement efficiency and increase complexity. In addition, based on the current T2S design, this solution would not be feasible in all settlement scenarios.

Further registration-related aspects that might have an impact on cross-CSD settlement have been presented to the European Post Trade Group (EPTG) for consideration (see Section 4.5).

#### Compliance status of T2S markets

In April/May 2013 the HSG ran a survey with NUGs and CSDs from T2S markets to identify possible deviations from the established market practice and, in such cases, make sure the relevant markets have a detailed roadmap to phase out their current practice.

The survey indicated that most of the T2S markets are currently in compliance with the standard or have a plan in place to fully comply by their migration to T2S.

T2S markets are participating in T2S testing activities (which started in October 2014) in line with the standard.

<sup>13</sup> This matter was thoroughly analysed by the TFAX in its final report (November 2012). Registration and settlement are closely related processes. It is crucial to adapt settlement and registration processes in order to achieve alignment of settlement and registration data. In practice, it is important to ensure that the register is only updated after confirmation of settlement. The TFAX report is available on the T2S website.

Blue	AT, BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI
Green	BE (BNYM), ES, SK
Yellow	None
Red	None

### Monitoring

Implementation date	Migration to T2S (depending on migration wave). T2S markets are participating in T2S testing activities (which started in October 2014) in line with the standard.
Monitoring actors	AG (through the HSG and NUGs).
Monitoring process	HSG survey conducted with the NUGs and the CSDs in April/May 2013. Additional information received by the ECB team in the context of the client readiness monitoring process and through interaction with the NUGs is also taken into account.

## 3.4 Interaction with T2S (tax info requirements)

### Activity description

The objective of this activity is to define T2S best market practice for the management of transaction-related tax information across borders, in order to avoid the inefficiencies generated by heterogeneous local tax requirements (transaction-related tax rules and information flow).

Non-compliance would impose back-office costs on other instructing parties and might discourage cross-CSD activity in T2S.

The target date for T2S markets to have adopted a common market practice in this field is their migration to T2S (depending on their migration wave).

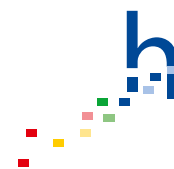
### Activity status

Priority 1 – activity no 4	Definition	Monitoring	Compliance
INTERACTION WITH T2S (TAX INFO REQUIREMENTS)	G	G	G

#### T2S STANDARD:

#### Tax-related information for domestic and cross-CSD transactions is not passed via T2S messages

Note: Tax-related information includes, but is not limited to, the tax status of the transaction, tax status or tax ID of the end investor, tax exemption identification number, alien registration number, passport number, corporate identification number, driving license number, foreign investment identity number, BIC, proprietary ID and name and address of the investor. As ISO messages also provide fields that can be used to pass information about a particular transaction tax type (withholding tax, payment levy tax, local tax, stock exchange tax, transfer tax, value-added tax, consumption tax), as well as the amount, debit/credit indicator, currency and other details, such fields should not be used to pass on any kind of tax-related information.



The TFAX analysed the possibility of interaction with T2S as regards local tax requirements and concluded that there is no technical and process-based solution which would achieve efficient tax processing in the T2S environment.

#### Compliance status of T2S markets

In April/May 2013 the HSG ran a survey with NUGs and CSDs from T2S markets to identify possible deviations from the established market practice and, in such cases, make sure the relevant markets have a detailed roadmap to phase out their current practice.

The survey indicated that most of the T2S markets are currently in compliance with the standard or have a plan in place to fully comply by their migration to T2S.

T2S markets are participating in T2S testing activities (which started in October 2014) in line with the standard.

Blue	AT, BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, ES, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Green	BE (BNYM)
Yellow	None
Red	None

#### Monitoring

Implementation date	Migration to T2S (depending on migration wave). T2S markets are participating in T2S testing activities (which started in October 2014) in line with the standard.
Monitoring actors	AG (through the HSG and NUGs).
Monitoring process	HSG survey conducted with the NUGs and the CSDs in April/May 2013. Additional information received by the ECB team in the context of the client readiness monitoring process and through the NUGs is also taken into account.

### 3.5 T2S schedule for the settlement day and calendar

#### Activity description

The use of a single schedule for the T2S settlement day and a single calendar per currency is established by the T2S User Requirements Document (URD) and is one of the first and key harmonisation agreements in the T2S context.<sup>14</sup> The AG agreed, from the first stages of the T2S project, that the full compliance of T2S markets with the T2S schedule and calendar is a prerequisite for an efficient cross-CSD environment in T2S.

The key aim of this activity is twofold. First, its implementation should provide assurance on the removal of Giovannini barrier 7 on *operating hours, settlement deadlines and opening days*<sup>15</sup> in T2S markets. Second, CSDs and their clients should have the possibility to define, within the single T2S schedule, their preferred operational model according to their business needs and service level agreements.

<sup>14</sup> The URD is available in the key documents section of the T2S website

<sup>15</sup> For further information, see [http://ec.europa.eu/internal\\_market/financial-markets/docs/clearing/second\\_giovannini\\_report\\_en.pdf](http://ec.europa.eu/internal_market/financial-markets/docs/clearing/second_giovannini_report_en.pdf).

The target date for achieving full compliance with the T2S standard is the migration date of each T2S market to T2S.

### Activity status

Priority 1 – activity no 5	Definition	Monitoring	Compliance
T2S SCHEDULE FOR THE SETTLEMENT DAY AND CALENDAR	G	G	G

#### **T2S STANDARD:**

**T2S markets should be fully compliant with the T2S schedule for the settlement day and calendar, available on the T2S website.**

In order to ensure consistency when monitoring implementation across T2S markets, it should be clarified that the status “full compliance” with the T2S schedule and calendar is achieved if the following conditions are met by the T2S market/CSD in question.

The T2S market/CSD operational model should ensure that:

1. the CSDs’ securities accounts (and NCBs’ dedicated cash accounts) in T2S are available for bookings throughout the whole T2S timetable (credits, debits, realignment, etc.);
2. settlement efficiency in T2S is not affected – for example, the T2S market/CSD will participate in the start-of-day processes and in the timely processing of corporate actions in a systematic manner;
3. all other T2S daytime (operating hours) and cut-off times are respected (delivery-versus-payment (DvP) cut-off, etc.);
4. CSDs provide directly connected parties (DCPs) with authorisation for connecting to T2S (where required and subject to the relevant T2S technical requirements).

In case of CSD legacy systems shut down during the T2S operating hours, CSD participants (investor CSDs, DCPs and indirectly connected parties (ICPs)) may not receive the same level of service. In particular, the timing according to which settlement instructions are sent to and reports are received from T2S-relevant settlement processes will depend on the CSD participants’ connectivity model to T2S (DCP, user to application, etc.). This is an issue of business models and service level agreements between CSDs and their participants. This policy should not affect the compliance status of a T2S market, provided that the above conditions are met.

The T2S schedule is specified in the current version of the Scope Defining Set of Documents. The exact times in the T2S settlement day schedule could be subject to revisions based on changes in the T2S Community’s business needs.

#### **Compliance status of T2S markets**

All T2S markets, except Switzerland, will comply with the standard by the time of their migration to T2S. The Swiss market has indicated to the AG that compliance will only be possible by March 2016, i.e. within six months of SIX SIS’ migration to T2S. As part of the non-compliance impact analysis (see Annex 3), the T2S Board agreed that the overall impact is considered “low”, taking into account the low transaction volumes and the low risk of non-implementation.

In addition, CSDs are participating in T2S testing activities according to the T2S schedule for the settlement day.



Blue	None
Green	AT, BE (Euroclear), BE (BNYM), BE (NBB-SSS), DE, DK, EE, ES, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Yellow	None
Red	CH

Information input: SP2, SP3 and bilateral interactions with NUGs.

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market status, please refer to Annex 4.

### Monitoring

Implementation date	Migration to T2S (depending on migration wave). CSDs are participating in T2S testing activities in line with the T2S schedule for the settlement day.
Monitoring actors	HSG (via NUGs).
Monitoring process	Compliance was monitored by the ECB team as part of the CSD/central bank feasibility assessment process (SP2 and SP3). Regular updates and clarifications are sought from the T2S NUGs following on from the surveys that were conducted. Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.

## 3.6 T2S corporate actions standards

### Activity description

Differences in national rules related to the processing of corporate actions have been identified by the industry as one of the most critical obstacles to an integrated EU post-trade environment.

A set of T2S standards intended to harmonise CSDs' interaction with T2S as regards the settlement of corporate actions on flows (pending matched instructions) was endorsed by the AG in July 2009 and updated in May 2013.<sup>16</sup> Non-compliance with these standards by T2S markets would hamper the efficient management of corporate actions on flows, especially in the context of cross-CSD settlement. These standards are based on the high-level corporate actions market standards as defined by the European Commission-sponsored CAJWG (see activity no 18, described in Section 4.2). More specifically, the T2S corporate actions standards provide the details necessary for T2S markets to implement the market standards for corporate actions on flows in a harmonised way in T2S.

Full compliance with the T2S corporate actions standards needs to be achieved before a market migrates to T2S. T2S markets are also required to be able to participate in bilateral interoperability testing, multilateral testing and community testing in line with T2S corporate actions standards.

### Activity status

Priority 1 – activity no 6	Definition	Monitoring	Compliance
T2S CORPORATE ACTIONS STANDARDS	G	G	R

<sup>16</sup> The full list of T2S corporate actions standards is available on the T2S website at <http://www.ecb.europa.eu/paym/t2s/governance/ag/html/subcorpact/index.en.html>.

**T2S STANDARD:**

**T2S markets should comply with the T2S corporate actions standards, as endorsed by the AG and published on the T2S website, related to corporate actions on flows (i.e. market claims, transformations and buyer protection).**

In addition to the standards, the T2S Corporate Actions Sub-group (CASG) published a detailed frequently asked questions (FAQ) document listing the most relevant questions relating to the implementation of the T2S corporate actions standards. The FAQ is a living document that will be constantly updated until the launch of T2S. The latest version was published in January 2014 on the CASG webpage.

**Compliance status of T2S markets**

As part of its latest corporate actions gap analysis (available on the T2S website) and in line with the published AG methodology, the CASG provided a compliance status for each market (blue, green, yellow or red status – see Annex 1 for definitions). This was based on the T2S markets' current compliance with the T2S standards and the existence of detailed plans and dates for fully meeting the standards prior to migration to T2S. Regulatory and legal barriers in national markets were also taken into consideration by the CASG.

Compared with last year's status, the results show that considerable progress has been made by the T2S markets in either achieving or planning to achieve full and timely compliance with the T2S corporate actions standards. A large number of markets have already established detailed implementation plans for full compliance, with no obstacles being identified so far.

There are now five T2S markets with red status (non-compliance by their migration date), compared with 11 in 2014. Only one of these red statuses is assigned to a wave 1 market. The four remaining wave 1 markets have all been assigned green status, i.e. the plan is ongoing and the market is on track for achieving full compliance by June 2015.

Out of all 24 monitored markets/CSDs<sup>17</sup>, only seven are assigned a yellow or red implementation status by the AG (see the table below). This shows considerable progress compared with the 2014 results, when 13 out of 24 monitored markets/CSDs were assigned red or yellow status.

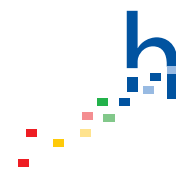
Blue	None
Green	BE (BNYM), BE (NBB-SSS), CH, DK, EE, ES, FI, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), MT, PT, SI, SK
Yellow	AT, LV
Red	BE (Euroclear), DE, FR, NL, RO

*Information input: CASG gap analysis 2015*

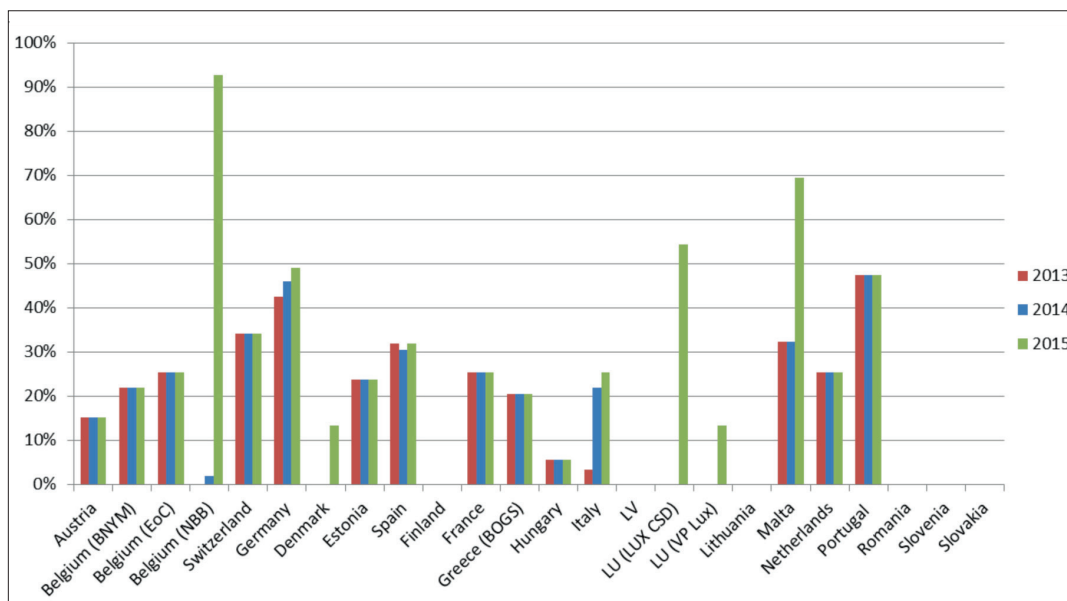
For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

<sup>17</sup> In some T2S markets there is more than one CSD.





**Figure 1:** Three-year comparative results for T2S markets’ implementation of T2S corporate actions standards (percentage of the total number of standards where compliance has been achieved). No value means zero compliance.



Source: 2015 CASG report (2013-15 survey data).

**Impact analysis of non-compliance**

As requested by the T2S Board<sup>18</sup>, the AG assessed the impact of the non-compliance of five T2S markets (BE, FR, NL, DE and RO) on the rest of the T2S markets.

Based on the AG’s proposal, the T2S Board decided that for the BE, FR, NL and RO markets, the impact was manageable for the rest of the T2S Community, provided that their implementation plans are properly monitored (see Annex 3 for more details).

With respect to the German market’s non-compliance with the T2S corporate actions standards, the T2S Board’s analysis of its impact on the rest of the T2S markets is still ongoing.

**Monitoring**

Implementation date	From a legal/regulatory/market practice perspective: migration to T2S (depending on migration wave). From a technical perspective: start of bilateral interoperability testing (depending on migration wave).
Monitoring actors	HSG (via CASG and NUGs).
Monitoring process	The main monitoring process for this harmonisation activity is the CASG’s annual gap analysis of surveys provided by T2S markets. The NUGs assist the ECB team in monitoring compliance and coordinating overall interaction with the relevant national markets.

<sup>18</sup> See the T2S Board’s view on the T2S harmonisation standards compliance framework published on 10 December 2013 at [www.harmonisation.t2s.eu](http://www.harmonisation.t2s.eu).

## Legal harmonisation

Activities 7 to 10 fall under the legal harmonisation umbrella. Together with the priority 2 activity relating to conflict of law issues (covered in Section 4.1), they are expected to enhance legal certainty and strengthen the legal framework for cross-CSD operations in T2S.

The three activities relating to settlement finality aim to ensure that all participating T2S “systems” have a harmonised definition of the moment of entry of transfer orders into the system (SF I), the moment of irrevocability of transfer orders (SF II), and the moment when settlement becomes irrevocable and enforceable (SF III). This is crucial to ensuring legally sound and seamless settlement at cross-CSD level.

The other priority 1 legal harmonisation activity refers to the authorisation of CSDs to outsource their settlement-related IT to a public entity (see Section 3.10).

The four activities presented below are clearly connected to already existing or ongoing international and EU legal harmonisation agreements/initiatives, such as the Settlement Finality Directive, the ESCB-CESR recommendations, the CPSS-IOSCO principles and the CSDR.

The priority 2 activity on legal certainty is linked to the possible future EU legislation in the area of securities law. The AG is of the view that this could be part of the Commission’s capital markets union agenda.

### 3.7 Settlement Finality I

#### Activity description

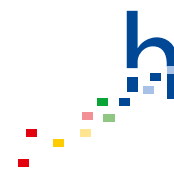
SF I is defined as the moment of entry of a transfer order into the system and contributes to the identification of the moment as of which a transfer order is protected against insolvency procedures. SF I is defined in and covered under:

- the Settlement Finality Directive 98/26/EC, Art. 3;
- ESCB-CESR (2009) recommendations for SSSs (no 1);
- CPSS-IOSCO (2012) principles for financial market infrastructures (no 1 and 8);
- Regulation (EU) No 909/2014 (CSDR), 23 July 2014, Art. 39/2 and 48/8.

The aim of this T2S harmonisation activity is to agree on a common T2S rule regarding the moment of entry of a transfer order into the system (SF I) and to ensure compliance by all T2S markets. The Framework Agreement (Art. 21, para. 4) and the CSDR (Article 48.8) recognise the need for a harmonised CSD rule for the moment of entry of transfer orders into the system (for interoperable systems).

SF I is currently defined in the rules of all designated SSSs and the payments systems of the national central banks (as required by the Settlement Finality Directive). Looking at the domestic level, all T2S markets are compliant with SF I (in accordance with the Settlement Finality Directive). Important divergences have been identified in the past across the T2S CSDs.<sup>19</sup>

<sup>19</sup> An ECSDA survey dated 24 October 2011 on settlement finality found that out of the 18 CSDs that participated in the survey, six CSDs consider the “point of entry” to be the moment in which the instruction (transfer order) is first received by the CSD, while 12 CSDs consider the “point of entry” to involve not only the receipt of an instruction, but also some form of validation (which varies among the CSDs). For more details, see [http://www.ecsda.eu/site/uploads/tx\\_doclibrary/2011\\_10\\_24\\_Outcome\\_ECSDA\\_Finality\\_Survey.pdf](http://www.ecsda.eu/site/uploads/tx_doclibrary/2011_10_24_Outcome_ECSDA_Finality_Survey.pdf).



In order to minimise legal risks in cross-CSD transactions as well as to create a level playing field, a single definition of the moment of entry of a transfer order into the system needs to be agreed upon and implemented by all T2S markets/CSDs. A harmonised rule will protect against the spillover effects of the insolvency of a participant in another CSD (linked CSD in T2S).

### Activity status

Priority 1 – activity no 7	Definition	Monitoring	Compliance
SETTLEMENT FINALITY I (MOMENT OF ENTRY)	G	X	X

#### **T2S STANDARD:**

**CSDs to define SF I in their systems as the moment of validation of a transfer order.**

The CSDs using the T2S platform will identify a harmonised moment of entry of securities transfer orders into their respective systems: this will correspond to the moment of validation of the transfer order. This validation can take place either on the T2S platform or on the CSD legacy systems (for those CSDs offering domestic matching services). The standard implements the resolution taken by the T2S CSD Steering Group (CSG) in December 2013.

The Eurosystem national central banks will define SFI in their systems (i.e. TARGET 2), as currently prescribed in the TARGET2 Guideline (i.e. SFI=SFII=SFIII). The CSDs and the central banks in T2S are currently working on a collective agreement with the ultimate goal of achieving a single SF I rule for all systems (both CSD systems and central bank systems). The ultimate objective is for all systems to define SF I in their rules as the moment of validation of a transfer order (as per the above standard).

For the time being and until the collective agreement is signed, the AG takes note that, according to the above standard, there should be no divergences between T2S markets regarding the definition of SF I. Hence, the definition status is now marked in green for this activity. All CSDs in the T2S markets have agreed to define SF I in their systems as described above, thus ensuring harmonisation of rules at cross-border level. Harmonisation in the TARGET2-related systems is also ensured by the TARGET2 Guideline's rule on SF I.

Furthermore, the T2S Community will investigate the topic in greater depth to assess whether any harmonisation is possible at T2S Community level, or at EU level, as regards the insolvency rules that deal with the treatment of instructions after declaration of SF I. The topic of insolvency is also expected to be included in the European Commission's capital markets union agenda.

### Compliance status of T2S markets

T2S market monitoring will be launched after the completion of the collective agreement between the national central banks and CSDs.

### Monitoring

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	HSG [NUGs].
Monitoring process	HSG dedicated survey with NUGs and CSDs.

## 3.8 Settlement Finality II

### Activity description

SF II is defined as the irrevocability of a transfer order (and not of the transfer of securities itself) according to the rules of a system designated under the Settlement Finality Directive. SF II is defined in and covered under:

- Settlement Finality Directive 98/26/EC, Art. 5 (1 and 2);
- ESCB-CESR (2009) recommendations for SSSs (no 1 and 8);
- CPSS-IOSCO (2012) principles for financial market infrastructures (no 1 and 8);
- Regulation (EU) No 909/2014 (CSDR), 23 July 2014, Art. 39/2 and 48/8.

The aim of this activity is to adopt a harmonised rule for the moment when transfer orders become irrevocable, in order to eliminate the risk of transfer order revocation in a T2S cross-border environment.

The target date for T2S markets to comply with the agreed rule is their migration to T2S (depending on their migration wave).

### Activity status

Priority 1 – activity no 8	Definition	Monitoring	Compliance
SETTLEMENT FINALITY II (IRREVOCABILITY OF TRANSFER ORDERS)	G	G	G

#### **T2S STANDARD:**

**No unilateral cancellation is possible after matching status is achieved in T2S.**

The irrevocability of transfer orders in T2S is protected by the rule prohibiting the unilateral cancellation of instructions after matched status is achieved in T2S (URD v5.0).

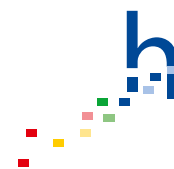
This is also in line with the T2S Framework Agreement (Art. 21, para. 4), according to which contracting CSDs must make all necessary arrangements in order to adopt a harmonised definition of the irrevocability of transfer orders.

CSDs should comply with the rule for the irrevocability of transfer orders as laid down in the T2S URD (i.e. no unilateral cancellation in T2S) by default, since there is no T2S functionality for unilateral cancellation after matching status is achieved in T2S. However, it is necessary to monitor that the CSDs' regulatory environments, including their rules and procedures, are updated accordingly.

Regarding the monitoring process, the survey of NUGs conducted by the Task Force on smooth cross-CSD settlement in 2011 identified a number of issues, which are now being monitored.

### Compliance status of T2S markets

T2S markets that are already compliant with the T2S SF II rule are assigned blue status. Green status indicates that markets will be ready before their respective migration date. Finally, markets that are planning to comply before migration to T2S are assigned yellow status (reflecting the assumption that this usually requires a regulatory change).



Blue	AT, BE (Euroclear), BE (NBB-SSS), DK, EE, ES, FI, FR, GR (BOGS), IT, LU (VP LUX), MT, NL, RO
Green	BE (BNYM), CH, DE, HU, LU (LUX CSD), LV, PT, SI, SK
Yellow	LT
Red	None

*Information input: SP2, bilateral discussions and information from NUG chairpersons.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

### Monitoring

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	HSG [NUGs].
Monitoring process	Compliance was monitored by the ECB team as part of the CSD/central bank feasibility assessment process (SP2 and SP3). Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.

## 3.9 Settlement Finality III

### Activity description

SF III is defined as the irrevocability of transfers (bookings in CSD accounts) according to the rules of a system designated under the Settlement Finality Directive. While no rule for SF III is set out in the Settlement Finality Directive, it is defined in and covered under:

- ESCB-CESR (2009) recommendations for SSSs (no 1 and 8);
- CPSS-IOSCO (2012) principles for financial market infrastructures (no 1 and 8);
- Regulation (EU) No 909/2014 (CSDR), 23 July 2014, Art. 39/3 and 48/8.

This activity focuses on ensuring that all T2S markets comply with the common rule on the unconditionality, irrevocability and enforceability of account entries (i.e. securities bookings) in T2S.

Full compliance by all T2S markets with the common SF III rule is of utmost importance: non-compliance would undermine the legal certainty of bookings in T2S accounts. It would also represent a breach of the obligations stipulated in the T2S Framework Agreement.

The target date for T2S markets to comply with the agreed rule is their migration to T2S (depending on their migration wave).

### Activity status

Priority 1 – activity no 9	Definition	Monitoring	Compliance
SETTLEMENT FINALITY III (IRREVOCABILITY OF TRANSFER ORDERS)	G	G	G

**T2S STANDARD:**

**According to Article 21, para. 4 of the T2S Framework Agreement, in order to facilitate legally sound, seamless cross-border DvP settlement, the regulatory/legal environments of the CSDs participating in T2S must recognise account entries in T2S as unconditional, irrevocable and enforceable.**

According to the T2S Framework Agreement, a contracting CSD shall make all necessary arrangements with regard to its operational processes to achieve the unconditionality, irrevocability and enforceability of settlements processed in T2S. This is particularly relevant in cases where accounts representing legal ownership rights are maintained by the CSD in its local legacy IT system, i.e. outside T2S. In these cases – and independently of the holding model followed by each market – harmonisation of settlement finality rules would ensure that bookings in accounts maintained in T2S are irrevocable, unconditional and enforceable.

Monitoring of T2S markets' compliance with the T2S SF III rule started in the context of the CSD/central bank feasibility assessment process (SP2 and SP3), following the signing of the T2S Framework Agreement.

**Compliance status of T2S markets**

CCSDs' compliance has been monitored since the signing of the T2S Framework Agreement in 2012.

Blue status reflects that there is no need for further compliance monitoring. Green status is assigned to the T2S markets where there is no need for a regulatory and/or legal change to be introduced in order to comply with the T2S SF III rule, although a change in the CSD rules is still required. Yellow status reflects that the relevant T2S markets have carried out a thorough assessment and concluded that they will comply with the T2S SF III rule in time for their migration to T2S, but that there is a need for a regulatory or legal change.

Blue	AT, BE (BNYM), BE (NBB-SSS), ES, FI, LU (LUX CSD), LU (VP LUX), MT
Green	BE (Euroclear), DE, CH, EE, FR, GR (BOGS), HU, IT, NL, PT, RO, SI, SK
Yellow	DK, LT, LV
Red	None

*Information input: SP2, bilateral discussions and information from NUG chairpersons.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

**Monitoring**

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	HSG (NUGs).
Monitoring process	Compliance was monitored by the ECB team as part of the CSD/central bank feasibility assessment process (SP2 and SP3). Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.



### 3.10 IT outsourcing (settlement services)

#### Activity description

The outsourcing of settlement services to T2S requires approval by the relevant regulator, subject to the applicable national laws and regulations. In the past, the AG identified some national legislation/regulations in the EU which could be interpreted as either prohibiting or hampering outsourcing of settlement services.

The T2S Framework Agreement recognises that participation in T2S requires regulatory approval for CSDs. CSDs are therefore granted the specific right to terminate the Framework Agreement if such regulatory approval is ultimately refused by the relevant authorities.

#### Activity status

Priority 1 – activity no 10	Definition	Monitoring	Compliance
IT OUTSOURCING (SETTLEMENT SERVICES)	G	G	B

The matter is addressed in Article 30(5) of the CSDR, according to which CSDs are allowed to outsource their services to public entities and, in that case, are exempted from the requirements on outsourcing provided in the CSDR. The ECB supported this proposal in its reply to the Commission's consultation on the CSDR in August 2012.

The AG launched a survey to obtain clarity, under the applicable national legislation and the new CSDR provisions, on whether and how participating CSDs in T2S would be able to outsource their services to T2S. The survey was launched in July 2014 and based on the feedback received from the T2S markets, the AG decided to assign a blue compliance status to the activity. No obstacles were identified.

#### Compliance status of T2S markets

All T2S markets (other than CH) achieved blue compliance status following the adoption of the CSDR. The Swiss market also confirmed that there are no legal or regulatory barriers to the outsourcing of settlement services to T2S.

Blue	AT, BE (BNYM), BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, ES, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Green	None
Yellow	None
Red	None

#### Monitoring

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	HSG (NUGs).
Monitoring process	Compliance was monitored by the ECB team as part of the survey that was launched in July 2014. The survey was addressed to the T2S NUGs. <b>Given that the compliance status is blue across the board, no further monitoring is required.</b>

### 3.11 Settlement discipline regime

#### Activity description

At present, settlement fails (which occur when a transaction fails to be settled on the intended settlement date) are not subject to deterrent penalties in all EU markets and settlement discipline measures, when in place, differ widely between markets.

A harmonised settlement discipline regime is needed in T2S in order to avoid the risk of multiple, inconsistent or incompatible regimes that would create operational complexity, in particular for cross-CSD settlement. It is also needed at the EU level to ensure a level playing field and avoid the risk of “regulatory arbitrage”, i.e. the shift of volumes to markets with softer regimes and sanctions. Weak or non-harmonised settlement discipline regimes could also lead to a high number of failed transactions and might thus have an impact on financial stability.

In principle, the target date by which all T2S markets should have converged towards harmonised rules is their migration to T2S (depending on their migration wave). However, current regulatory developments in the EU combined with the complexity of implementation will likely require a postponement of the convergence date.

#### Activity status

Priority 1 – activity no 11	Definition	Monitoring	Compliance
SETTLEMENT DISCIPLINE REGIME	Y	X	X

As a consequence of past initiatives by ECSDA and the AG which flagged the need for a level playing field with regard to settlement discipline, the issue has been on the EU’s post-trade harmonisation agenda for several years.

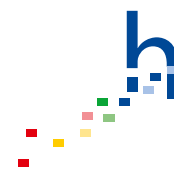
Recently adopted Regulation (EU) No 909/2014 (CSDR) includes important provisions on the settlement discipline regime. The related technical standards are expected to be adopted by the EU public authorities in the second half of 2015 in the context of the level 2 CSDR legislation.

The AG provided a detailed reply to ESMA’s consultation on the CSDR technical standards that was run from December 2014 to February 2015, supporting the creation of a single rulebook in this area, but also raising some concerns about the draft standards and the timing of their implementation.<sup>20</sup> More specifically, the AG highlighted some issues of consistency between the proposed standards and some existing standards at global or EU level, for example ISO messaging standards and corporate actions management standards. It also emphasised the need to avoid regulating certain commercial and technical implementation choices available to the CSD industry. Finally, the AG called for an appropriate extension period for the entry into force of the new rules, and pointed to the risk of generating instability in the European market infrastructure if this were not granted.

It is clear at this stage that it will not be possible to finalise the EU settlement discipline regime before T2S goes live, despite its being a high-priority harmonisation area for T2S. This means that CSD participants will, for the time being, continue operating within the existing regulatory frameworks of the relevant CSDs. The AG is of the opinion that the prospect of the forthcoming harmonised EU settlement discipline regime, coupled with the gradual increase in cross-border activity expected after the launch of T2S, will minimise any “regulatory arbitrage” risk. Another source of reassurance for the AG is the observation that current levels of settlement failures are still very low in all T2S markets.

<sup>20</sup> The AG’s response to ESMA can be found on the AG webpage.





### Compliance status of T2S markets

Monitoring has not yet started.

#### Monitoring

Implementation date	After migration to T2S is complete.
Monitoring actors	ESMA/ESCB (in accordance with the CSDR).
Monitoring process	To be defined by ESMA/ESCB (in accordance with the CSDR).

## 3.12 Settlement cycles

### Activity description

In EU markets, the settlement cycle timeline for transferable securities executed on trading venues and settled in an SSS used to range from T+3 to T+2. The existence of differing settlement cycles would have had no impact on the core settlement process in T2S since T2S is neutral in this respect and can accommodate different settlement cycles.

However, the establishment of a single settlement cycle in the EU was deemed crucial for T2S participants' technical infrastructures in terms of rationalising back-office activities as well as managing cross-border corporate actions. The former non-harmonised practices rendered the management of cross-border corporate actions rather inefficient and costly, owing to the fact that the deadlines for instructing relevant messages laid down in the EU corporate actions market standards are based on the notion of the settlement cycle timeline.

This activity aims to ensure that T2S markets adopt a harmonised settlement cycle before their migration to T2S.

### Activity status

Priority 1 – activity no 12	Definition	Monitoring	Compliance
SETTLEMENT CYCLES	G	G	B

The CSDR established a harmonised EU settlement cycle standard of T+2. The AG had strongly supported the CSDR proposal in its letter sent to the European Commission back in July 2011, and mandated the HSG in October 2013 to coordinate the adoption of the T+2 rule by T2S markets. As soon as the CSDR was adopted, the HSG monitored (via the T2S NUGs) the migration to T+2, which occurred smoothly on 6 October 2014.

### Compliance status of T2S markets

All T2S markets, barring Spain (equity segment), achieved blue compliance status in October 2014, meaning that further monitoring is not required for this harmonisation activity (for the given T2S markets). The Spanish market's equity segment will move to a T+2 settlement cycle in November 2015.

Blue	AT, BE (BNYM), BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Green	ES
Yellow	None
Red	None

### Monitoring

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	HSG (NUGs) and the competent authorities supervising trading venues.
Monitoring process	Survey launched by the ECB team in June 2014. The survey was addressed to the T2S NUGs. <b>Given that the compliance status is blue practically across the board, no further monitoring is required.</b>

## CSD account structures

This topic covers the need for CSDs to offer account structures that make it possible to meet the T2S objective of efficient cross-CSD settlement.

From a T2S perspective, two harmonisation standards have been identified as essential for enabling and ensuring safe and efficient use of links in T2S. Both relate to omnibus accounts.

### 3.13 Availability of omnibus accounts

#### Activity description

This activity aims to ensure that issuer CSDs offer omnibus accounts to their foreign participants (investor CSDs and intermediaries) so as to support the concept of CSD interoperability and cross-border settlement in (or even outside) T2S.

The unavailability of omnibus accounts for foreign CSD participants would jeopardise CSD interoperability and cross-CSD settlement, and in practice hinder market access for investor CSDs and foreign intermediaries. This would be against the T2S eligibility criteria for CSDs.<sup>21</sup>

#### Activity status

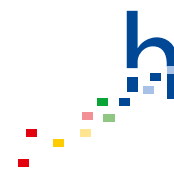
Priority 1 – activity no 13	Definition	Monitoring	Compliance
AVAILABILITY OF OMNIBUS ACCOUNTS	G	G	B

#### T2S STANDARD:

**Issuer CSDs in T2S must offer omnibus accounts to their foreign participants (investor CSDs and intermediaries) to ensure interoperability and cross-CSD settlement.**

This topic was added to the T2S harmonisation list as a priority 1 activity in September 2011, as agreed by the AG.

<sup>21</sup> For more information on the CSD eligibility criteria in T2S, please see [http://www.ecb.europa.eu/ecb/legal/pdf/\\_31920111202en01170123.pdf?5e8f3155d7feefb4ce9fce8e5888b176](http://www.ecb.europa.eu/ecb/legal/pdf/_31920111202en01170123.pdf?5e8f3155d7feefb4ce9fce8e5888b176).



Monitoring was conducted in 2012 via a NUG survey, and the results were published in the third T2S harmonisation progress report (March 2013). The new CSDs, BNYM and Latvian CSD, confirmed in bilateral discussions that they currently provide omnibus accounts.

#### Compliance status of T2S markets

All T2S markets achieved blue compliance status in January 2013, meaning that further monitoring is not required for this harmonisation activity (for the given T2S markets).

Blue	AT, BE (BNYM), BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, ES, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Green	None
Yellow	None
Red	None

*Information input: SP2 and bilateral discussions.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

#### Monitoring

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	HSG (NUGs).
Monitoring process	Compliance was monitored by the ECB team as part of the CSD/central bank feasibility assessment process (SP2 and SP3). The NUG survey on the topic took place during 2012. <b>Given that the compliance status is blue across the board, no further monitoring is required.</b>

### 3.14 Restrictions on omnibus accounts

#### Activity description

The objective of this activity is to ensure that issuer CSDs, in addition to offering foreign participants the possibility to open omnibus accounts (see previous section), also provide appropriate services (e.g. related to withholding tax or proxy voting) on those accounts, as required by participants.

The aim is to avoid investor CSDs and other intermediaries having to implement mandatory account segregation which needs to be propagated throughout the holding chain.

If appropriate services are not attached to omnibus accounts, it would represent an obstacle to CSD interoperability and cross-CSD settlement in (or even outside) T2S, as well as to market access for foreign intermediaries.

T2S markets are to comply with this harmonisation standard by the time they migrate to T2S.

#### Activity status

Priority 1 – activity no 14	Definition	Monitoring	Compliance
RESTRICTIONS ON OMNIBUS ACCOUNTS	G	G	G

**T2S STANDARD:**

**To make full interoperability, cross-CSD settlement and market access possible in T2S, issuer CSDs in T2S must provide appropriate services on omnibus accounts to foreign participants, as required by participants (e.g. withholding tax and proxy voting). These omnibus accounts should also include, as an option, holdings of domicile and non-domicile investors.**

Monitoring started during the CSD/central bank feasibility assessment (SP2 and SP3). Information was also acquired via a NUG survey carried out in 2012 and the first results were published in the third T2S harmonisation progress report (March 2013). Monitoring continues in the context of the T2S client readiness monitoring process (on a quarterly basis).

**Compliance status of T2S markets**

While in all T2S markets omnibus accounts are offered to investor CSDs and foreign intermediaries, restrictions remain in some markets on the mandatory segregation per investor of all (or some) domicile investors' holdings at CSD level.

T2S markets that still have restrictions on the use of omnibus accounts are assigned yellow compliance status. In these markets, the resolution of these issues depends on regulatory and/or legal changes. Despite this, these markets are not assigned red status because cross-CSD settlement and investor CSD services are still possible for non-domicile investors/intermediaries (though subject to restrictions).

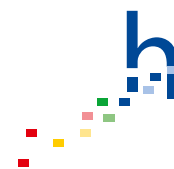
Blue	AT, BE (Euroclear), BE (NBB-SSS), BE (BNYM), CH, DE, DK, EE, ES, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI
Green	None
Yellow	FI, SK
Red	None

*Information input: SP2 and bilateral discussions.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

**Monitoring**

Implementation date	T2S migration date (depending on migration wave).
Monitoring actors	T2S team, NUGs.
Monitoring process	Compliance was monitored by the ECB team as part of the CSD/central bank feasibility assessment process (SP2 and SP3). The NUG survey on the topic took place during 2012. Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.



### 3.15 Securities account numbers

#### Activity description

The objective of this activity is for CSDs to designate a harmonised number for the securities accounts in T2S, rather than using the sequential number provided by the T2S system specification.

The purpose is to build logic into the account numbers in order to facilitate identification of account holders and providers.

Compliance with the agreed standard must be achieved by all T2S markets in time for migration to T2S (depending on their respective migration wave). CSDs should nonetheless be able to participate in bilateral interoperability testing, multilateral testing and community testing using the agreed numbering standard.

#### Activity status

Priority 1 – activity no 15	Definition	Monitoring	Compliance
SECURITIES ACCOUNT NUMBERS	G	G	G

#### T2S STANDARD:

**In securities account numbering, CSDs must use a four-digit BIC to identify parties of CSDs, plus 31 digits of free text.**

A change request was approved in 2012 to adopt harmonised numbers for securities accounts in T2S. The same goes for dedicated cash account numbers, as per the next section.

The CSG proposal for a harmonised securities account numbering standard was endorsed by the AG in November 2012.

#### Compliance status of T2S markets

A first monitoring survey to assess the compliance of T2S markets with this standard was run by the HSG in coordination with the T2S CSDs in April-May 2013.

The survey results indicated that most of the T2S markets have firm plans in place to adopt the securities account numbering format.

Blue	BE (NBB-SSS), FI
Green	AT, BE (BNYM), BE (Euroclear), CH, DE, DK, EE, ES, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, PT, RO, SI, SK
Yellow	None
Red	None

#### Monitoring

Implementation date	Migration to T2S (depending on migration wave). Participation in bilateral interoperability testing, multilateral testing and community testing requires the use of T2S numbering standards in the test environment.
Monitoring actors	HSG (CSG).
Monitoring process	HSG survey with T2S CSDs in May 2013. Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.

### 3.16 Cash account numbers

#### Activity description

The objective of this activity is for T2S cash account providers to designate a harmonised number for the dedicated cash accounts in T2S, rather than using the sequential number provided by the T2S system specification.

The purpose is to build logic into dedicated cash account numbering in order to facilitate identification of account holders and providers.

Compliance with the agreed standard must be achieved by all T2S markets in time for migration to T2S (depending on their respective migration wave). T2S markets should nonetheless be able to participate in bilateral interoperability testing, multilateral testing and community testing using the agreed standards.

#### Activity status

Priority 1 – activity no 16	Definition	Monitoring	Compliance
CASH ACCOUNT NUMBERS	G	G	G

#### T2S STANDARD:

**The dedicated cash account numbering standard includes 34 characters (one to designate the cash account, two for the country, three for the currency code, 11 for the BIC and 17 characters of free text for the account holder).**

Example: CFREURBANKFRPPXXXMAIN-DCA-ACCOUNT CDEEURBANKDEFF123DCA CLIENT ALPHA

A change request was approved by the T2S Community in order to enable national central banks to define the dedicated cash account number in T2S. The Eurosystem's Payment and Settlement Systems Committee (PSSC) prepared a proposal in this respect, which was endorsed by the AG in November 2012.

#### Compliance status of T2S markets

A first monitoring survey by the HSG in coordination with the national central banks was run in April-May 2013.

The survey results indicated that most of the T2S markets have a firm plan in place to adopt the cash account numbering format. Three markets (Spain, Italy and Portugal) indicated that the current numbering format of their cash accounts is as per the agreed format. Two markets, Hungary and Switzerland, are not part of the assessment as cash settlement in the respective currencies will not take place in T2S.

Blue	ES, IT, PT
Green	AT, BE (Euroclear), BE (NBB-SSS), BE (BNYM), DE, DK, EE, FI, FR, GR (BOGS), LT, LU (LUX CSD), LU (VP LUX), LV, MT, NL, RO, SI, SK
Yellow	None
Red	None



## Monitoring

Implementation date	Migration to T2S (depending on migration wave). Participation in bilateral interoperability testing, multilateral testing and community testing requires the use of T2S numbering standards in the test environment.
Monitoring actors	HSG (national central banks).
Monitoring process	HSG survey with national central banks in May 2013. Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.

## 4 T2S harmonisation activities – priority 2

*Priority 2 activities are not essential to ensure safe and efficient cross-CSD settlement in T2S, but they are key for enhancing the competitive environment and the efficiency of T2S, and could continue to be pursued after the T2S launch.*

### 4.1 Location of securities accounts/conflict of law

#### Activity description

The issue of the location of accounts/conflict of law refers to the law applicable to the transfers of securities and to CSD securities accounts.<sup>22</sup> For this harmonisation activity, we focus on the second aspect. Clarity on the law applicable to securities accounts is important for T2S because the securities accounts in T2S remain legally attributed to the CSD, regardless of the physical location of the IT infrastructure.

The conflict of law topic may also be relevant for another post-trade harmonisation issue, namely the freedom of issuance. As put forward in the CSDR, issuers should have the right to issue their securities in non-domicile CSDs. This right may lead to an increase in the instances of conflicts of law.

#### Activity status

Priority 2 – activity no 17	Definition	Monitoring	Compliance
LOCATION OF SECURITIES ACCOUNTS/CONFLICT OF LAW	R	X	X

The ECB responded to the consultations on both the CSDR and the possible future EU legislation in the area of securities, supporting the establishment of a harmonised conflict of law rule. The issue was also mentioned in the AG's letter to the European Commission on the CSDR (dated 2011). However, the final CSDR does not include any provisions on this topic.

The TFAX report to the AG includes proposals for further harmonisation action in the area of ownership rights creation during the settlement process (credits in securities accounts). This topic could also be covered in the EU's possible future securities legislation.

In November 2013 the AG decided to reprioritise this topic and move it from priority 1 to priority 2. Although the Eurosystem and the T2S Community still support further harmonisation in this field, the AG came to the conclusion that this activity can continue to be pursued even after the launch of T2S. The decision also took into account the legal analysis concluded by the T2S team at that time, according to which the absence of a comprehensive legislative conflict-of-law solution at the time of the T2S launch would not undermine legal certainty in T2S.

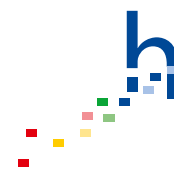
Nevertheless, a harmonised framework should continue to be pursued and in this regard, possible EU legislation might be better placed to deliver harmonisation in this area, its scope not being limited to CSDs (but extending to other financial institutions involved in the issuance, trading and post-trading of securities). The Commission's current capital markets union initiative could create the right momentum to find a solution to this long-standing issue.

#### Compliance status of T2S market

Monitoring has not yet started.

<sup>22</sup> Conflict of law also refers to the issue of the creation of rights. Currently, it is not the case in all Member States that holding securities accounts within a CSD creates rights to securities. However, this is not considered to be a constraint for the harmonisation of cross-border securities transfers.





## Monitoring

Implementation date	Pending potential EU legislation on securities law.
Monitoring actors	Pending potential EU legislation on securities law.
Monitoring process	Pending potential EU legislation on securities law.

## 4.2 Corporate actions market standards

### Activity description

The market standards on corporate actions on stocks (settled balances) were finalised in October 2009 by the European Commission-sponsored CAJWG and reviewed in 2012. The standards were subsequently endorsed by the relevant forums and industry associations (CESAME2, the European Banking Federation, EuropeanIssuers, etc.) by July 2013.

These market standards provide the basis for the T2S corporate actions standards (see Section 3.6). In turn, one of the guiding principles underpinning the market corporate actions standards is that they “are beneficial for the efficiency of T2S”.<sup>23</sup>

Although T2S is not involved in maintaining or monitoring the corporate actions market standards, the AG keeps the issue on its radar because it is connected with its activity on T2S corporate actions standards. From a T2S perspective, the target date for compliance by T2S markets is migration to T2S (depending on their respective migration wave). T2S markets should nonetheless be able to participate in bilateral interoperability testing, multilateral testing and community testing in compliance with the corporate actions market standards.

### Activity status

Priority 2 – activity no 18	Definition	Monitoring	Compliance
CORPORATE ACTIONS MARKET STANDARDS (CAJWG)	G	G	Y

**T2S STANDARD:  
T2S markets should comply with the corporate actions standards defined by the CAJWG.**

The Broad Stakeholders Group (BSG) and the European Market Implementation Group (E-MIG) run a biannual survey on EEA markets’ compliance with the corporate actions market standards. Responsibility for the actual implementation of the standards by market participants rests at local level with the national Market Implementation Groups (MIGs). Coordination and monitoring at European level is ensured by the all-inclusive BSG of the relevant European trade associations which sponsor the market standards process. Progress in implementing the standards is ultimately reported to the European Commission. The results are also shared with the T2S Programme Office and are the basis for assessing T2S markets’ compliance in the context of the T2S harmonisation progress reports.

### Compliance status of T2S markets

The compliance status assessment for the corporate actions market standards is based on a percentage implementation status and is assigned by the AG as follows: 0-40% implementation corresponds to a red status; 41-70% is given yellow status; 71-99% is green; and full compliance with no further monitoring required translates into blue. It should be clarified that the AG is not in

<sup>23</sup> For more information, see the relevant section of the website of the European banking Federation.

a position to make a detailed analysis of the technical and regulatory barriers present in the T2S markets (as is the case with the T2S corporate actions standards analysis – see Section 3.6).

Only 16 T2S markets/CSDs responded to the 2014 E-MIG survey. For T2S markets that did not provide any response to the E-MIG survey, the compliance assessment refers to the previous assessment as approved by the AG. Out of the five wave 1 markets, only Malta and Romania currently have yellow compliance status, with the other three markets having achieved a high level of compliance with these standards. Moreover, there is increased awareness of the dependency between the two implementation processes (T2S and market corporate actions standards).

Blue	None
Green	AT, BE (Euroclear), BE (NBB-SSS), CH, DE, DK, ES, GR (BOGS), IT, LV, NL, PT
Yellow	BE (BNYM), EE, FI, FR, LU (LUX CSD), LU (VP LUX), MT, RO
Red	HU, LT, SI, SK

*Information input: BSG/E-MIG Survey (2014). Markets for which September 2014 survey results are available are AT, BE (Euroclear), CH, DE, DK, EE, ES, FI, FR, HU, IT, LV, NL, PT, RO and SI.*

For detailed explanations per T2S market, please refer to Annex 4.

### Monitoring

Implementation date	Relevant for T2S: migration to T2S (depending on migration wave). Participation in bilateral interoperability testing, starting in October 2014, requires technical readiness for using corporate actions market standards in the test environment.
Monitoring actors	BSG (E-MIG).
Monitoring process	BSG biannual surveys with MIGs.

## 4.3 Place of issuance

### Activity description

This activity relates to the restrictions that are in place in national laws or market rules in EU countries as regards the place of issuance of securities. Such restrictions represent a barrier for issuers when choosing infrastructures and service providers.

This barrier to the freedom of choosing the issuer CSD does not directly affect T2S and it entails no operational/legal risks for the launch and operation of the single platform. Nevertheless, it has an impact on the competition for issuer CSD services in the respective markets.

### Activity status

Priority 2 – activity no 19	Definition	Monitoring	Compliance
PLACE OF ISSUANCE	Y	X	X

The issue was raised by the Task Force on smooth cross-CSD settlement, the predecessor of the TFX and XMAP, in its final report to the AG in June 2011, in particular in the section concerning access and interoperability issues.<sup>24</sup>

<sup>24</sup> The Task Force's report is available on the T2S website at <http://www.ecb.int/paym/t2s/governance/ag/html/mtg14.en.html>.



Provisions on the removal of barriers to choosing the place of issuance are included in the CSDR. The AG has expressed its support in this matter (see the AG's letter to the European Commission of June 2011).

The AG has decided that the issue should be reassessed once the CSDR level 2 legislation has been adopted.

T2S stakeholders will assess whether green definition status will be achieved once the related level 2 legislation is in place, or whether further harmonisation work will be required to achieve this status.

### Compliance status of T2S markets

Monitoring has not yet started.

#### Monitoring

Implementation date	Pending CSDR level 2 legislation.
Monitoring actors	European Commission and national regulators (pending CSDR level 2 legislation).
Monitoring process	European Commission and national regulators (pending CSDR level 2 legislation).

## 4.4 Withholding tax procedures

### Activity description

Giovannini barrier 11 relates to the domestic nature of withholding tax regulations in the EU and the resulting disadvantages for non-domestic intermediaries. It is only possible to be granted relief at source with the help of an entity that has tax withholding responsibilities. However, often the national tax rules reserve tax withholding responsibilities for local intermediaries and thus “force” foreign intermediaries to use local fiscal agents.

As a consequence: i) remote access to issuer CSDs by foreign intermediaries may be discouraged; ii) foreign intermediaries are at a disadvantage vis-à-vis local ones; and iii) the location of the issuer CSD could potentially be restricted to local CSDs. This would hamper efficiency and market access in T2S.

Following the report by the Clearing and Settlement Fiscal Compliance expert group (FISCO), in October 2009 the European Commission published its Recommendation on withholding tax relief procedures<sup>25</sup>, which outlines how EU Member States could make it easier for investors resident in one Member State to claim entitlements to relief from withholding tax on securities income (mainly dividends and interest) received from another Member State (relief at source).

The Commission's Recommendation also suggests measures to eliminate tax barriers for the securities investment activities of financial institutions. A Commission services study<sup>26</sup> shows that, at present, the costs related to the current reclaim procedures are estimated at €1.09 billion annually, while the amount of foregone tax relief is estimated at €5.47 billion annually.

<sup>25</sup> See the European Commission's Recommendation (COM (2009) 7924 final).

<sup>26</sup> The study on “The Economic Impact of the Commission Recommendation on Withholding Tax Relief Procedures and the FISCO Proposals” and other background documents related to fiscal compliance procedures are published on the Europa website and can be accessed via the following links: [http://ec.europa.eu/internal\\_market/financial-markets/clearing/compliance\\_en.htm](http://ec.europa.eu/internal_market/financial-markets/clearing/compliance_en.htm); [http://ec.europa.eu/taxation\\_customs/resources/documents/common/whats\\_new/C\(2009\)7924\\_en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/common/whats_new/C(2009)7924_en.pdf).

No substantial risks for the T2S launch have been identified in the event that this objective is not achieved. Nevertheless, should no resolution be found on the matter, there may be an impact on settlement efficiency in the affected markets.

### Activity status

Priority 2 – activity no 20	Definition	Monitoring	Compliance
WITHHOLDING TAX PROCEDURES	R	X	X

The Commission's Recommendation was an important step forward in trying to overcome fiscal barriers in the post-trade environment.

In 2010 an expert group (the Tax Barriers Business Advisory Group, or T-BAG) was created to follow up on the Commission's Recommendation from a business perspective and suggest workable solutions to implement the principles outlined in the recommendation. T-BAG issued its final report to the Commission in May 2013.<sup>27</sup> In September 2013 the Commission submitted a questionnaire to some T-BAG members focusing on the method by which tax relief on cross-border portfolio investment can be obtained and the role of a non-resident financial institution.

During the course of 2014, the HSG ran a fact-finding exercise with the T2S NUGs to identify whether the recommendations made by T-BAG had been taken into consideration by the T2S markets (national authorities and market actors). The results of this exercise indicated that the implementation of T-BAG's recommendations is not a priority for most of the T2S markets.

In addition, a number of T2S NUGs responded that the recommendations require further work and need to be revisited and updated. In November 2014 the AG decided to change the definition status of the standard from green to red.

In conclusion, the AG has decided to wait for new initiatives from the EU public authorities in this area (possibly a new legislative initiative by the new Commission). In particular, there is an expectation that the capital markets union initiative could facilitate progress in this area.

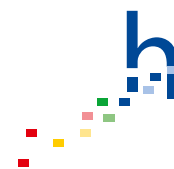
### Compliance status of T2S markets

Monitoring has not started yet.

### Monitoring

Implementation date	To be defined.
Monitoring actors	To be defined.
Monitoring process	To be defined.

<sup>27</sup> The T-BAG report is available on the European Commission's website.



## 4.5 Cross-border shareholder transparency and registration procedures

### Activity description

This activity covers the two connected areas of cross-border shareholder transparency and the registration procedures<sup>28</sup> linked to the issuer CSD operating and regulatory frameworks.

Concerning **shareholder transparency** for registered securities, in most EU countries there are efficient models for identifying domestic shareholders. However, there is no common European model for enabling issuers to identify their owners in a cross-border environment. Issuers have therefore highlighted that, as a consequence of increased cross-border activity in T2S, shareholder transparency issues might emerge across borders. A key concern is how to retrieve specific holders' information via the CSD omnibus account link arrangements. The AG agreed that the resolution of this issue should be pursued, but without affecting the timely delivery or the current scope of T2S services. Hence, this activity is considered as priority 2 in view of the T2S launch; the possibility of implementing a centralised solution in the second release of T2S will be considered in due time.

One aspect relating to the disclosure of shareholders is that of **registration processes** in the issuer CSD operating and regulatory frameworks. Registration procedures for certain securities have long been recognised as one of the most difficult and complex areas for harmonisation in some jurisdictions. Procedures are usually based on long-standing legal and regulatory rules (on the owner of a registered instrument or the investor's rights regarding the same asset). Registration processes, and the mechanisms used to transmit registration information, vary very considerably between European countries. They are particularly complex and can in some cases affect both the issuance/central safekeeping services of a CSD, as well as settlement services.

Some market participants have identified the risk that if registration procedures remain non-harmonised, this may have a negative effect on the efficiency of cross-CSD settlement in T2S. It could also affect market access, which is particularly important for investor CSDs in T2S. The HSG is currently analysing this issue in the context of XMAP's work on CSD restriction rules (related to registration procedures).

### Activity status

Priority 2 – activity no 21	Definition	Monitoring	Compliance
CROSS-BORDER SHAREHOLDER TRANSPARENCY AND REGISTRATION PROCEDURES	R	X	X

This issue of **shareholder transparency** was addressed in the early stages of the T2S project by a dedicated T2S group (Task Force on Shareholder Transparency)<sup>29</sup> set up by the AG in December 2009. The task force presented its final report to the AG in March 2011. The report included a description of possible decentralised and centralised technical models (one of the options being the T2S platform) for exchanging shareholder information on a cross-border basis. The conclusions of the task force were supported by the vast majority of the AG.

Leaving aside the centralised model for possible consideration for a future release of T2S, the AG used the suggestions contained in the report to invite a number of actors to work on possible decentralised solutions. Proposals put forward were: the creation of an ISO disclosure message standard; an amendment to the Transparency Directive; and a possible market practice for

<sup>28</sup> The registration process is the process of updating a register (managed by a registrar) that contains information on the identity (name, address, etc.) of shareholders in a company.

<sup>29</sup> More information on the task force is available at <http://www.ecb.europa.eu/paym/t2s/governance/ag/html/subtrans/>.

exchanging shareholders' disclosure requests and responses, to be developed by the market via ECSDA. However, none of these solutions has been implemented thus far, since the relevant actors have not considered it to be a high priority and the business case potential is considered to be limited.

As far as the impact of heterogeneous **registration procedures** on cross-CSD settlement in T2S is concerned, the TFAX analysed this area in its 2012 report. One of the results of this work is the recommendation endorsed by the AG in February 2013 not to use T2S messages for passing on registration information. This is now considered T2S best market practice, as explained in Section 3.3.

However, the AG recognises that there are further important steps to be taken to achieve full harmonisation regarding how to manage registration procedures in T2S markets (especially in cross-CSD contexts). Given the complexity and the regulatory/legal implications of the registration topic, the AG has raised it with the EPTG.

In 2013 the EPTG identified cross-border shareholder transparency, including the connected topic of registration procedures, as one of the main action points on its current agenda. A Working Group on Registration and Shareholder Identification has been set up by the EPTG to work on the matter. The group is currently carrying out a fact-finding exercise with European markets. The HSG will follow the developments to make sure that the T2S-relevant aspects are covered.

The Commission's current initiative on capital markets union could also be expected to address this topic.

#### **Compliance status of T2S markets**

Definition is not complete and no standards have been endorsed yet. Monitoring has therefore not yet started.

#### **Monitoring**

Implementation date	Pending EPTG outcome.
Monitoring actors	Pending EPTG outcome.
Monitoring process	Pending EPTG outcome.

## **4.6 Market access and interoperability**

### **Activity description**

The activity covers market practices or legislation that obligate or restrict the settlement of (stock exchange and/or central counterparty-cleared) transactions in a specific issuer CSD. The consequence for foreign investors, custodians and/or investor CSDs in such (issuer) markets is that access to settlement flows is restricted owing to the unfair competitive advantages established in those issuer markets. The restriction implies that entities wishing to offer settlement services on these securities need to become participants in the issuer CSD or central counterparty.

The issue has no impact on T2S settlement processes, but it is important for competition and CSD access conditions in T2S-relevant markets.



### Activity status

Priority 2 – activity no 22	Definition	Monitoring	Compliance
MARKET ACCESS AND INTEROPERABILITY	Y	X	X

The CSDR includes important provisions regarding market access and interoperability. The definition status of this activity depends on the technical standards, expected to be adopted in the second half of 2015.

T2S stakeholders will assess whether green definition status will be achieved once the related level 2 legislation is in place, or whether further harmonisation work will be required to achieve this status.

### Compliance status of T2S markets

Monitoring has not started yet.

### Monitoring

Implementation date	Pending CSDR and level 2 legislation.
Monitoring actors	Pending CSDR and level 2 legislation.
Monitoring process	Pending CSDR and level 2 legislation.

## 4.7 Securities amount data

### Activity description

This activity aims to address the absence of a standardised practice across all T2S markets for defining securities amount data (face value/nominal amount vs. quantity/units) in the trading, clearing and settlement chain.

The non-standardisation of securities quantity data has no impact on T2S settlement as long as only one rule is used for each ISIN in T2S (either nominal amount (FAMT) or quantity/units (UNIT)).<sup>30</sup>

However, the current practice in some markets may create difficulties for foreign entities (investor CSDs, custodians) that wish to offer services on securities in those markets.

The objective of this activity is to ensure that all T2S markets are aligned with the EU's standard practice in time for migration to T2S (depending on their respective migration waves). T2S markets should nonetheless be able to participate in bilateral interoperability testing, multilateral testing and community testing using the agreed shared practice.

### Activity status

Priority 2 – activity no 23	Definition	Monitoring	Compliance
SECURITIES AMOUNT DATA	G	G	G

<sup>30</sup> For each T2S settlement instruction, T2S will verify whether the type of settlement amount in the settlement instruction (face amount or number of units) matches the type of amount as defined for the given ISIN in the T2S static data. This would make it impossible for a T2S actor to instruct T2S both in nominal amount (FAMT) and units (UNIT) for the same ISIN. One of these settlement amount types only must be selected in advance for each ISIN.

**T2S STANDARD:**

**In line with the current standard market practice in the EU, T2S markets should define securities amount data by using nominal value for debt instruments and units for non-debt instruments (i.e. debt instruments in FAMT and equities in UNIT).**

In September 2011 the AG agreed: i) to add the issue to the T2S harmonisation list; ii) to support the definition of a harmonised practice for all T2S markets; and iii) to escalate the issue to the NUGs and, if required, to national regulators.

Compliance with the T2S standard was monitored as part of the CSD/central bank feasibility assessment process (SP2 and SP3).

**Compliance status of T2S markets**

There seem to be only a few exceptions to the standard market practice in the EU. However, if this issue is not resolved prior to the T2S launch, it may result in failed T2S validation of the settlement instructions related to the markets that are not aligned with the EU standard.

Blue implementation status is assigned to T2S markets that are already compliant with EU market practice. Green status reflects non-compliance at the moment, but that there is a plan in place for achieving compliance prior to the T2S bilateral interoperability testing phase (started in October 2014). Yellow reflects compliance by the migration date, but some market practice or regulatory change has still to be agreed/introduced in the national market.

Blue	AT, BE (Euroclear), BE (NBB-SSS), CH, DE, DK, EE, ES, FI, FR, GR (BOGS), HU, IT, LT, LU (LUX CSD), LU (VP LUX), MT, NL, RO
Green	BE (BNYM), LV, PT, SI, SK
Yellow	
Red	None

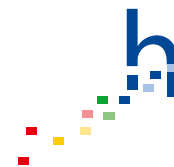
*Information input: SP2 and bilateral discussions.*

For details on the compliance status colour methodology, please refer to Annex 1. For detailed explanations per T2S market, please refer to Annex 4.

**Monitoring**

Implementation date	Migration to T2S (depending on migration wave). CSDs are participating in T2S testing activities (which started in October 2014) using the T2S standard.
Monitoring actors	HSG (NUGs).
Monitoring process	Compliance was monitored by the HSG as part of the CSD/central bank feasibility assessment process (SP2 and SP3). Additional information received by the ECB team in the context of the client readiness monitoring process is also taken into account.





## 4.8 Portfolio transfer

### Activity description

The TFAX analysis<sup>31</sup> revealed obstacles in the context of portfolio transfers<sup>32</sup> requiring further harmonisation efforts. Currently, each market has its own requirements in terms of the information to be provided by the delivering custodian to the receiving custodian during a portfolio transfer.

In view of increasing cross-border business and cross-border portfolio transfers, this is likely to lead to a high level of complexity in information gathering and maintenance for CSDs and CSD participants involved in portfolio transfers. In the T2S context, this would lead to the manifestation of additional complexities in terms of information gathering and maintenance for the involved actors.

The T2S Community has agreed, in line with the TFAX recommendation, that the information required by the receiving custodians should be harmonised to the extent possible to ensure smooth cross-CSD settlement.

### Activity status

Priority 2 – activity no 24	Definition	Monitoring	Compliance
PORTFOLIO TRANSFER	Y	X	X

Following the AG Chairman's letter to the European Banking Federation, the European Working Group on Portfolio Transfers was set up in November 2014. Its objective is to define regional best market practices limited to the geographical perimeter of the T2S area. The best practices will cover the following:

- descriptions and recommendations on the workflow and channel of information for portfolio transfer messages;
- data to be transmitted in these portfolio transfer messages;
- how portfolio transfer messages should be populated.

The working group aims to finalise a proposal for a standardised market practice by the end of March 2015. Thereafter, a consultation will be launched, involving the T2S markets, in coordination with T2S NUGs and the European Banking Federation.

### Monitoring

Implementation date	To be defined.
Monitoring actors	To be defined.
Monitoring process	To be defined.

<sup>31</sup> The TFAX report is available in the relevant section of the T2S website.

<sup>32</sup> Portfolio transfers (or book transfers) occur when a client changes custodian or bank.

## Annex 1: Methodology

The following methodology is used for compiling the deliverables of the HSG to the AG (progress report, T2S harmonisation list and status update dashboard).

### Harmonisation activities

A harmonisation activity is a task that needs to be completed in order to remove a barrier to smooth cross-CSD settlement in T2S markets. Some activities are grouped under broader areas.

#### *Example*

Area: Legal harmonisation

Activities: SF I, SF II, SF III, outsourcing, conflicts of law

### Prioritisation of activities

The AG agreed to prioritise the T2S harmonisation work as outlined below.

**Priority 1:** Activities necessary to ensure efficient and safe cross-CSD settlement in T2S. The HSG and the ECB team should focus on these activities as first priorities for resolution and implementation prior to the launch of T2S.

The fact that an activity is assigned priority 1 does not imply that the HSG will be the key definition or monitoring actor (e.g. T2S ISO messages, legal harmonisation).

**Priority 2:** Activities that are not essential to ensure safe and efficient cross-CSD settlement in T2S, but are key for enhancing the competitive environment and the efficiency of T2S, and could continue to be pursued after the T2S launch. Even for activities classified as priority 2, the AG/HSG/ECB team have an interest in maintaining regular contact with the relevant actors, since these activities might bring substantial benefits to T2S operations (e.g. tax procedures).

### Harmonisation phases

There are three harmonisation processes/phases for each activity/issue in the T2S harmonisation list in Annex 2: definition, monitoring and implementation. Each phase corresponds to a different aim/question.

**Definition:** This refers to the T2S (or, where relevant, wider European) standards/rules definition process. What are the standards and who is responsible for defining and endorsing them?

**Monitoring:** What is the monitoring framework and who are the actors responsible for monitoring T2S markets' compliance with the harmonisation standards/rules?

**Implementation:** This phase/process refers to the T2S markets' compliance with the relevant harmonisation standards. What is the process, and who ultimately needs to implement changes and adapt to the harmonisation standards/rules? What is the implementation status per T2S market?

### Responsible actors

For each process/phase, clear responsible actors and concrete deadlines are proposed.

- Definition actors: entities responsible for defining the standard (e.g. the AG supported by CASG in the case of the T2S corporate actions standards, T-BAG/Commission in the case of withholding tax procedures, CAJWG in the case of market corporate actions standards)
- Monitoring actors: entities responsible for monitoring that T2S markets are complying with the standard (e.g. the AG supported by CASG in the case of the T2S corporate actions standards, E-MIG in the case of the market corporate actions standards)



- Implementation actors: entities responsible for ultimately implementing changes and adapting to the standard (e.g. CSDs, their participants and perhaps regulators in the case of the T2S corporate actions standards)

### Dates

A deadline for completion is set for each phase. In most cases, the deadline for compliance coincides with the migration of each market to T2S (depending on the respective migration wave). However, for most technical standards, T2S markets/CSDs are required to be able to participate in the interoperability testing phase, as per migration wave, abiding by the agreed rules and standards in the test environment.

### Status assessment

A specific colour, based on a four-colour scheme, is displayed in the status update dashboard to reflect the progress in each process (definition, monitoring and compliance). These colours/statuses are agreed at the AG level, based on the proposals of the HSG (and the input of the T2S NUGs, CSDs and other reporting actors).

**Table 2: colour status definitions**

Colour	Description
BLUE	<p><b>Compliance</b></p> <p>The market has achieved full compliance with the harmonisation standard.</p> <p>a. For technical standards (e.g. T2S ISO 20022 messages), this means that the T2S market is already operating according to the standard.</p> <p>b. For regulatory/legal standards (e.g. T2S settlement finality rules), this means that the relevant regulation/legislation is already in place.</p> <p><b>Further monitoring of the T2S market is no longer required.</b></p>
GREEN	<p><b>Definition</b></p> <p>The relevant stakeholder bodies (in or outside T2S) have defined and agreed/endorsed the standards for the harmonisation activity.</p> <p><b>Monitoring</b></p> <p>The monitoring actors (in or outside T2S) have defined and implemented a framework for monitoring and reporting progress on the T2S markets' compliance with the harmonisation standard. The T2S markets report regularly to the responsible stakeholder bodies.</p> <p><b>Compliance</b></p> <p>1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard, but no obstacles have been identified to achieving full compliance by the deadline.</p> <p><b>and</b></p> <p>2) The market has established a clear/detailed plan to implement the harmonisation standard and has publicly announced deadlines for full implementation.</p> <p><b>Further monitoring of the T2S market is required.</b></p>

<b>YELLOW</b>	<p><b>Definition</b></p> <p>Open issues remain concerning the definition and agreement of the standards for the harmonisation activity by the relevant stakeholder bodies (in or outside T2S). However, stakeholders have agreed a roadmap and an approach to resolving pending issues in order to achieve agreement on the standard.</p> <p><b>Monitoring</b></p> <p>The monitoring actors (in or outside T2S) have defined and implemented a framework for monitoring and reporting progress on the T2S markets' compliance with the harmonisation standard. The T2S markets report to the monitoring bodies on an irregular basis.</p> <p><b>Compliance</b></p> <p>1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the given harmonisation standard, but obstacles have been identified which may threaten achievement of full compliance by the deadline.</p> <p><i>or</i></p> <p>2) The T2S market has issued a statement that it will implement the standard, but has not committed to concrete and publicly announced dates for implementation.</p> <p><b>Further monitoring of the T2S market is required.</b></p>
<b>RED</b>	<p><b>Definition</b></p> <p>Relevant stakeholder bodies (in or outside T2S) have not reached an agreement on the definition of the standard and stakeholders have not agreed a roadmap or an approach to achieving agreement on the standard. Stakeholders have not agreed a formal plan to achieve compliance with the standards.</p> <p><b>Monitoring</b></p> <p>The monitoring stakeholders have not defined and/or not implemented a framework for monitoring and reporting progress on the T2S markets' compliance with the harmonisation standard.</p> <p><b>Compliance</b></p> <p>1) The T2S market has not provided any information on its level of compliance with the standard.</p> <p><i>or</i></p> <p>2) The T2S market has decided not to (fully) comply with the standard.</p> <p><i>or</i></p> <p>3) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard and obstacles have been identified that have stopped the implementation plan of the market and/or will prevent its full implementation by the deadline.</p> <p><b>Further monitoring of the T2S market is required.</b></p>
X	Process not started yet

### Monitoring methodology<sup>33</sup>

The HSG only monitors T2S harmonisation activities for which the definition process is complete, i.e. a standard/rule/agreement has been defined and endorsed by the relevant actors. The endorsement may come from the AG (e.g. T2S corporate actions standards) or from EU authorities (e.g. the CSDR).

Once the definition process is complete (i.e. the AG assigns green status to the activity), the HSG – with the help of the ECB team – launches the monitoring process. The ECB team acts as the contact point or secretariat for this process. For some activities, this monitoring may be launched by external parties (E-MIG in the case of the market corporate actions standards).

<sup>33</sup> As agreed by the AG on 27 March 2012.

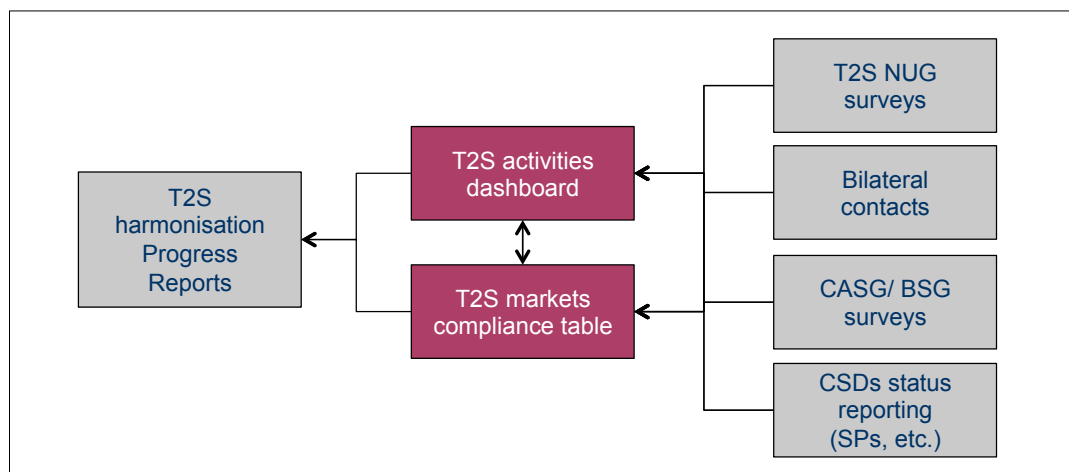


For each of the T2S harmonisation activities covered in this report, there is a section on monitoring. This section has three key elements:

- the implementation date, which describes by when the standard/agreement needs to be implemented by the T2S markets;
- the monitoring actors, i.e. who is performing the monitoring process (e.g. ECB team, NUGs, E-MIG);
- the monitoring process, which describes what the process consists of (e.g. NUG surveys, CASG surveys, T2S actors' feasibility assessments).

The information provided for individual T2S markets and activities may stem from more than one source. For example, T2S NUGs provided information on SF II and SF III, but this point was also covered by most T2S actors in their feasibility assessments sent to the ECB team. As shown in Diagram 1, the different input channels (NUG surveys, CASG/CAJWG surveys, bilateral contacts and SP reporting) feed into the different monitoring tools (dashboard and market implementation tool), and are finally summarised in the AG's harmonisation progress report.

**Diagram 1: Information channels for monitoring T2S harmonisation**



In this report, the compliance status is presented by market (rather than by CSD). Compliance usually depends on national market practice, specificities or even regulation rather than on an individual CSD's business model. In markets with more than one CSD, the name of the relevant CSD is used in order to flag differing progress in implementation.

In the case of corporate actions market standards, colours are assigned to T2S markets based on a statistical approach, as described in section 4.2.

## Annex 2: Monitored harmonisation activities per market

A specific colour, based on a four-colour scheme, reflects the compliance status of each T2S market against the 16 T2S monitored activities in the fourth harmonisation progress report. The compliance status applies to the national market in general and not necessarily to the relevant CSD. However, there are markets where more than one CSD exists, each of which may have achieved a different level of compliance.

Colour	Description
BLUE	<p>The market has achieved full compliance with the harmonisation standard.</p> <p>c. For technical standards (e.g. T2S ISO 20022 messages), this means that the T2S market is already operating according to the standard.</p> <p>d. For regulatory/legal standards (e.g. T2S settlement finality rules), this means that the relevant regulation/legislation is already in place.</p> <p><b>Further monitoring of the T2S market is no longer required.</b></p>
GREEN	<p>1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard, but no obstacles have been identified to achieving full compliance by the deadline.</p> <p><i>and</i></p> <p>2) The market has established a clear/detailed plan to implement the harmonisation standard and has publicly announced deadlines for full implementation.</p> <p><b>Further monitoring of the T2S market is required.</b></p>
YELLOW	<p>1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the given harmonisation standard, but obstacles have been identified which may threaten achievement of full compliance by the deadline.</p> <p><i>or</i></p> <p>2) The T2S market has issued a statement that it will implement the standard, but has not committed to concrete and publicly announced dates for implementation.</p> <p><b>Further monitoring of the T2S market is required.</b></p>
RED	<p>1) The T2S market has not provided any information on its level of compliance with the standard.</p> <p><i>or</i></p> <p>2) The T2S market has decided not to (fully) comply with the standard.</p> <p><i>or</i></p> <p>3) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard and obstacles have been identified that have stopped the implementation plan of the market and/or will prevent its full implementation by the deadline.</p> <p><b>Further monitoring of the T2S market is required.</b></p>
RED-(DATE)	<p>As above, non-compliance by migration to T2S but the National User Group has agreed and provided a detailed action plan for full compliance by [date] after migration to T2S.</p>



**Table 3: Compliance status per T2S market (as at 23/03/2015)**

T2S Markets	Priority 1													Priority 2		
	1	2	3	4	5	6	8	9	10	12	13	14	15	16	18	23
	T2S messages ISO 20022	Mandatory Matching fields	Interaction with T2S (Registration)	Interaction with T2S (Tax procedure)	Schedule of settlement day	T2S CA standards	T2S Settlement finality II	T2S Settlement Finality III	Outsourcing IT (Settlement) services	Settlement cycle	Availability of omnibus accounts	Restrictions on omnibus accounts	Securities account number	Cash account number	CA market standards (CAJWG)	Securities amount data
AT	G	G	B	B	G	Y	B	B	B	B	B	B	G	G	G	B
BE – BNYM	G	G	G	G	G	G	G	B	B	B	B	B	G	G	Y	G
BE Euroclear	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	G	B
BE – NBB-SSS	G	B	B	B	G	G	B	B	B	B	B	B	B	G	G	B
CH	G	G	B	B	R - Mar 2016	G	G	G	B	B	B	B	G	NA	G	B
DE	G	G	B	B	G	R - ?	G	G	B	B	B	B	G	G	G	B
DK	G	G	B	B	G	G	B	Y	B	B	B	B	G	G	G	B
EE	G	G	B	B	G	G	B	G	B	B	B	B	G	G	Y	B
ES	G	G	G	B	G	G	B	B	B	B	B	B	G	B	G	B
FI	B	B	B	B	G	G	B	B	B	B	B	Y	B	G	Y	B
FR	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	Y	B
GR – BOGS	G	G	B	B	G	G	B	G	B	B	B	B	G	G	G	B
HU	G	G	B	B	G	G	G	G	B	B	B	B	G	NA	R	B
IT	G	G	B	B	G	G	B	G	B	B	B	B	G	B	G	B
LT	G	G	B	B	G	G	Y	Y	B	B	B	B	G	G	R	B
LU – LUX CSD	G	G	B	B	G	G	G	B	B	B	B	B	G	G	Y	B
LU – VP LUX	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B
LV	G	G	B	B	G	Y	G	Y	B	B	B	B	G	G	G	G
MT	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B
NL	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	G	B
PT	G	G	B	B	G	G	G	G	B	B	B	B	G	B	G	G
RO	G	G	B	B	G	R - Feb 2017	B	G	B	B	B	B	G	G	Y	B
SI	G	G	B	B	G	G	G	G	B	B	B	B	G	G	R	G
SK	G	G	G	B	G	G	G	G	B	B	B	Y	G	G	R - No info	G

**Table 4: Compliance statistics for T2S markets (as at 23/03/2015)**

	Mid-year report		Fifth report	
	Priority 1	Priority 2	Priority 1	Priority 2
Blue	113	18	167	19
Green	172	16	153	17
Yellow	13	10	8	8
Red	12	4	6	4
N/A	2	0	2	0
Total	312	48	336	48

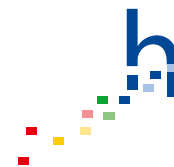
**Table 5: Compliance status of T2S markets in the first migration wave (as at 23/03/2015)**

T2S Markets	Priority 1														Priority 2	
	1 T2S messages ISO 20022	2 Mandatory Matching fields	3 Interaction with T2S (Registration)	4 Interaction with T2S (Tax procedure)	5 Schedule of settlement day	6 T2S CA standards	8 T2S Settlement finality II	9 T2S Settlement Finality III	10 Outsourcing IT (Settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions on omnibus accounts	15 Securities account number	16 Cash account number	18 CA market standards (CAJWG)	23 Securities amount data
CH	G	G	B	B	R - Mar 2016	G	G	G	B	B	B	B	G	NA	G	B
GR – BOGS	G	G	B	B	G	G	B	G	B	B	B	B	G	G	G	B
IT	G	G	B	B	G	G	B	G	B	B	B	B	G	B	G	B
MT	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B
RO	G	G	B	B	G	R - Feb 2017	B	G	B	B	B	B	G	G	Y	B

**Table 6: Compliance status of T2S markets in the second migration wave (as at 23/03/2015)**

T2S Markets	Priority 1														Priority 2	
	1 T2S messages ISO 20022	2 Mandatory Matching fields	3 Interaction with T2S (Registration)	4 Interaction with T2S (Tax procedure)	5 Schedule of settlement day	6 T2S CA standards	8 T2S Settlement finality II	9 T2S Settlement Finality III	10 Outsourcing IT (Settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions on omnibus accounts	15 Securities account number	16 Cash account number	18 CA market standards (CAJWG)	23 Securities amount data
BE Euroclear	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	G	B
BE - NBB-SSS	G	B	B	B	G	G	B	B	B	B	B	B	B	G	G	B
FR	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	Y	B
NL	G	G	B	B	G	R - Sep 2016	B	G	B	B	B	B	G	G	G	B
PT	G	G	B	B	G	G	G	G	B	B	B	B	G	B	G	G



**Table 7: Compliance status of T2S markets in the third migration wave (as at 23/03/2015)**

T2S Markets	Priority 1														Priority 2	
	1 T2S messages ISO 20022	2 Mandatory Matching fields	3 Interaction with T2S (Registration)	4 Interaction with T2S (Tax procedure)	5 Schedule of settlement day	6 T2S CA standards	8 T2S Settlement finality II	9 T2S Settlement Finality III	10 Outsourcing IT (Settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions on omnibus accounts	15 Securities account number	16 Cash account number	18 CA market standards (CAJWG)	23 Securities amount data
AT	G	G	B	B	G	Y	B	B	B	B	B	B	G	G	G	B
DE	G	G	B	B	G	R-?	G	G	B	B	B	B	G	G	G	B
DK	G	G	B	B	G	G	B	Y	B	B	B	B	G	G	G	B
HU	G	G	B	B	G	G	G	G	B	B	B	B	G	NA	R	B
LU - LUX CSD	G	G	B	B	G	G	G	B	B	B	B	B	G	G	Y	B
LU - VPLUX	G	G	B	B	G	G	B	B	B	B	B	B	G	G	Y	B

**Table 8: Compliance status of T2S markets in the fourth migration wave (as at 23/03/2015)**

T2S Markets	Priority 1														Priority 2	
	1 T2S messages ISO 20022	2 Mandatory Matching fields	3 Interaction with T2S (Registration)	4 Interaction with T2S (Tax procedure)	5 Schedule of settlement day	6 T2S CA standards	8 T2S Settlement finality II	9 T2S Settlement Finality III	10 Outsourcing IT (Settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions on omnibus accounts	15 Securities account number	16 Cash account number	18 CA market standards (CAJWG)	23 Securities amount data
BE - BNYM	G	G	G	G	G	G	G	B	B	B	B	B	G	G	Y	G
EE	G	G	B	B	G	G	B	G	B	B	B	B	G	G	Y	B
ES	G	G	G	B	G	G	B	B	B	G	B	B	G	B	G	B
FI	B	B	B	B	G	G	B	B	B	B	B	Y	B	G	Y	B
LT	G	G	B	B	G	G	Y	Y	B	B	B	B	G	G	R	B
LV	G	G	B	B	G	Y	G	Y	B	B	B	B	G	G	G	G
SI	G	G	B	B	G	G	G	G	B	B	B	B	G	G	R	G
SK	G	G	G	B	G	G	G	G	B	B	B	Y	G	G	R - No info	G

## Annex 3: Non-compliance impact analysis

The tables below cover the T2S markets where there is at least one red compliance status for priority 1 standards, namely Euroclear Belgium, Switzerland, Germany, France, Netherlands, Romania.

### BE NUG (Euroclear)

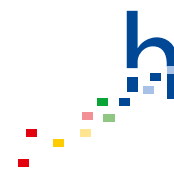
Name of harmonisation activity	Compliance status	Type of implementation gap	Description of implementation plan	Implementation actors (i.e. who is responsible for fully implementing the standard: CSD, central bank, legislator, regulator, NUG, issuer, etc.)	Agreed and public date by which the T2S market will fully comply with the standard	T2S Board Overall Impact Assessment
T2S corporate actions standards	RED	Major technical change	ESES market implementation plan is available and covers the technical and market practice changes required	ESES	Latest by September 2016	Medium

### CH NUG

Name of harmonisation activity	Compliance status	Type of implementation gap	Description of implementation plan	Implementation actors (i.e. who is responsible for fully implementing the standard: CSD, central bank, legislator, regulator, NUG, issuer, etc.)	Agreed and public date by which the T2S market will fully comply with the standard	T2S Board Overall Impact Assessment
T2S schedule of settlement day	RED	Major technical change/market practice change	A multi-phase implementation plan has been submitted by the NUG	CSD	March 2016	Low

### DE NUG

Name of harmonisation activity	Compliance status	Type of implementation gap	Description of implementation plan	Implementation actors (i.e. who is responsible for fully implementing the standard: CSD, central bank, legislator, regulator, NUG, issuer, etc.)	Agreed and public date by which the T2S market will fully comply with the standard	T2S Board Overall Impact Assessment
T2S corporate actions standards	RED	Legislative/market practice change	There is substantial improvement in the implementation plan of the German market. The German NUG has reported that record date will be introduced on 1 January 2016, prior to migration to T2S (Sept 2016). Compliance with some of the standards will take place latest by March 2017. Discussions are still on with Ministry of Finance for implementation of 'Cum' indicator.	Legislators, CBF, German market practice committee	Date for full compliance still not available	High [Low impact is expected no later than six months after CBF migration to T2S]

**FR NUG**

Name of harmonisation activity	Compliance status	Type of implementation gap	Description of implementation plan	Implementation actors (i.e. who is responsible for fully implementing the standard: CSD, central bank, legislator, regulator, NUG, issuer, etc.)	Agreed and public date by which the T2S market will fully comply with the standard	T2S Board Overall Impact Assessment
T2S corporate actions standards	RED	Major technical change	ESES market implementation plan is available and covers the technical and market practice changes required	ESES	Latest by September 2016	Medium

**NL NUG**

Name of harmonisation activity	Compliance status	Type of implementation gap	Description of implementation plan	Implementation actors (i.e. who is responsible for fully implementing the standard: CSD, central bank, legislator, regulator, NUG, issuer, etc.)	Agreed and public date by which the T2S market will fully comply with the standard	T2S Board Overall Impact Assessment
T2S corporate actions standards	RED	Major technical change	ESES market implementation plan is available and covers the technical and market practice changes required	ESES	Latest by September 2016	Medium

**RO NUG**

Name of harmonisation activity	Compliance status	Type of implementation gap	Description of implementation plan	Implementation actors (i.e. who is responsible for fully implementing the standard: CSD, central bank, legislator, regulator, NUG, issuer, etc.)	Agreed and public date by which the T2S market will fully comply with the standard	T2S Board Overall Impact Assessment
T2S corporate actions standards	RED	Market practice/ regulatory/ legislative/ technical change	Detailed implementation plan is available from the NUG. The plan lists out legislative and technical changes along with key dates on which these changes will be achieved	Depozitarul Central, regulators (Financial Supervisory Authority and central bank), NUG, Depozitarul Central's participants, issuers	February 2017	Medium

# Annex 4: Detailed monitoring information per T2S market

T2S Harmonisation Activities: Austria									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	Implementation Actor(s)
					Testing readiness achieved	Fully operational according to the T2S standard			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	OeKB	No barriers identified for achieving full compliance before migration to T2S.	OeKB
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	OeKB	No barriers identified for achieving full compliance before migration to T2S.	OeKB
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey May 2013. Registration information is not transferred via settlement messages	N/A
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey May 2013. Tax information is not transferred via settlement messages	N/A
5. T2S schedule of settlement day	Market claims (28 standards)	7%			Testing readiness achieved	September 2016	OeKB	Info source: 2014 NUG survey. OeKB schedule will be adapted to T2S Schedule. Until migration weekend, September 2016, OeKB will use the old schedule.	OeKB
	Transformations (13 standards)	0%						Info source: CASG gap analysis survey 2015. Low rate of overall compliance. However, Austrian market has committed to comply with all T2S CA standards by the time of its migration to T2S and has provided an implementation plan. The only uncertainty remains with regards to compliance with market claims standard 13 regarding the information flow between the issuer/issuer agents and the OeKB. The required legislative change is still under discussion and may not be adopted time. The Austrian market has decided to introduce a record date by November 2015	
	Buyer protection (18 standards)	39%	Y	Legislative change, major technical changes and market practice changes	Q4 2015	September 2016	CSD/CCP, banks and issuers		
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input. Only bilateral cancellations are possible after matching status	N/A
	9. Settlement Finality III: irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. Market already complies with the standard	N/A
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	N/A
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	N/A
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2013 HSG survey and bilateral input. Fully compliant with Omnibus accounts availability.	N/A
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2013 HSG survey and bilateral input. No restrictions on omnibus accounts.	N/A
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S Securities account numbering. April-May 2013 and Q3 2013 CSD status gathering template	OeKB
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	OeKB	Info source: HSG survey on T2S DCA numbering. April-May 2013	OeKB
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	June 2015	OeNB		OeNB
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	Implementation Actor(s)
					Testing readiness achieved	Fully operational according to the T2S standard			
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	75%	G	For some standards there is no implementation plan as market participants have refused to follow the market practice	October 2015	2016	Austrian Corporate Actions National Implementation Group (CANIG)	Info source: B5G/E-MIG Survey (Sep 2014). 51 (out of 68) standards already met - 75% compliance. AT market has provided a clear plan for implementation of record date in the annual EMIG report	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Full compliance with European market practice	N/A
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A		N/A



T2S Harmonisation Activities: Belgium (BNYM)									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					If standards/rules are not fulfilled, please provide the timetable and/or milestones in the implementation plan.	Relevant national actors for implementation			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	November 2015	February 2017	BNYM CSD	Info source: BNYM CSD SP2 feasibility assessment. No barriers identified.	
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	November 2015	February 2017	BNYM CSD	Info source: BNYM CSD SP2 feasibility assessment. No barriers identified.	
	3. Interaction for registration	Not compliant	G	Straight forward to implement	November 2015	February 2017	BNYM CSD	Info source: Bilateral input. No technical, regulatory or legal barriers identified for full compliance by start of testing phase.	
	4. Interaction for tax info	Not compliant	G	Major technical change	November 2015	February 2017	BNYM CSD	Info source: Bilateral input. No technical, regulatory or legal barriers identified for full compliance by start of testing phase.	
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	June 2015	February 2017	BNYM CSD	Info source: BNYM CSD SP2 feasibility assessment and NUG survey 2014. No barriers identified.	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	25%		Major technical change				Info source: CASG gap analysis survey 2015. No change has been registered since last report.	
	Transformations (13 standards)	0%	G	Major technical change				Implementation of the standards will require mostly technical, some of which major, changes. Although there is a commitment to comply with the standards by start of testing in November 2015, the CSD has not shared any detailed implementation plan.	
	Buyer protection (18 standards)	33%	G	Major technical change	November 2015	February 2017	BNYM CSD		
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	G	Straight forward to implement	November 2015	February 2017	BNYM CSD	Info source: Bilateral discussion. Change to the CSD rulebook required. NBB approval also required. No obstacles to this process foreseen or identified.	
	9. Settlement Finality III: irrevocability of securities transfers.	Fully compliant	B	Compliant	N/A	N/A	N/A	Info source: Bilateral input. CSD Rules are already in line with T2S SF III rule.	
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing. No regulatory barrier for outsourcing of settlement services by the CSD to the Eurosystem.	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	Compliant	N/A	N/A	N/A	Info source: Bilateral input. CSD Rules are already providing for omnibus accounts availability.	
	14. Restrictions on omnibus accounts	Fully compliant	B	Compliant	N/A	N/A	N/A	Info source: Bilateral input. Current CSD Rules do not impose restrictions on omnibus accounts usage.	
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	June 2015	February 2017	BNYM CSD	Info source: BNYM SP2 feasibility assessment.	
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing Readiness Achieved	March 2016	NBB	Info source: HSG survey on T2S DCA numbering. April- May 2013.	
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R)	If the standards/rules are not yet implemented, please specify what is the type of gap (use the dropdown list)	If standards/rules are not fulfilled, please provide the timetable and/or milestones/dates in the implementation plan.	Relevant national actors for implementation			
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	57%	Y	No info	November 2015	February 2017	No info available	Info source: BSG/E-MIG Survey (Jan 2014). 39(out of 68) standards already met - 57% compliance	
23. Securities amount static data		Not compliant	G	Other	November 2015	February 2017	BNYM CSD	Info source: BNYM feasibility assessment report and bilateral discussion.	

T2S Harmonisation Activities: Belgium (Euroclear)								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Implementation Actor(s)	Further Comments	
		Indicates level of compliance with the relevant standards/rules. Green (G), Yellow (Y), and Red (R). Blue (B) is the type of gap.		If the standards/rules are not yet implemented, please specify what is the type of gap.	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Fully operational according to the T2S standard. Ready for T2S testing.	Relevant national actor(s) for implementation.		
<b>Priority 1</b>								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/09/2016	Euroclear	Info source: SP2 and bilateral input. Technical compliance for testing and full compliance by migration.
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/09/2016	Euroclear	Info source: SP2, White Paper and bilateral input. Matching Rules that will apply are those of the T2S platform. Full compliance for testing.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: May 2013 HSG survey. Registration information is not transferred via settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: May 2013 HSG survey. Tax information is not transferred via settlement messages.
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	Testing readiness achieved	28/09/2016	Euroclear	Info source: SP2 and bilateral input and status gathering templates. The ESIS operational day will be amended to adhere to the timing of T2S. T2S accounting day will be considered the Master day.
	Market claims (28 standards)	43%		Major technical change				Info source: 2015 CASG gap analysis survey. Full compliance is planned by migration to T2S (March 2016).
	Transformations (13 standards)	23%		Major technical change				However, Euroclear (BE) will fully comply with the transformations and buyer protection standards with regards to voluntary corporate actions only in September 2016 (i.e. after EOC Belgium migrates to T2S).
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	0%	R	Other	September 2015	September 2016	BE-MIG	Info source: 2015 CASG gap analysis survey. Full compliance is planned by migration to T2S (March 2016).
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS surveys 2011 and 2012, SP2 and bilateral input. EOC (BE) already complies with only bilateral cancellation after matching status.
	9. Settlement Finality III: irrevocability of securities transfers	Not compliant	G	May require regulatory change	N/A	28/09/2016	Euroclear	Info source: T2S NUGS surveys 2011 and 2012, SP2 and bilateral inputs. Terms and Conditions will be updated to implement SFIII in T2S. This update will have to be presented and approved, where applicable, by the Belgian Regulator (national Bank of Belgium). No barriers identified in this process.
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing. No regulatory barrier for outsourcing of settlement services by the CSD to the Eurosystem.
	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. There are no issues with Omnibus Accounts availability for the ESIS countries.
	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/09/2016	Euroclear	Info source: HSG survey on T2S Securities account numbering, May 2013. No barriers identified.
T2S accounts numbering	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	March 2016	NBB	Info source: HSG survey on T2S DCA numbering, April, May 2013. No barriers identified.
	Activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Implementation Actor(s)	Further Comments	
		Indicates level of compliance with the relevant standards/rules. Green (G), Yellow (Y), and Red (R). Blue (B) is the type of gap.		If the standards/rules are not yet implemented, please specify what is the type of gap.	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Fully operational according to the T2S standard. Ready for T2S testing.	Relevant national actor(s) for implementation.		
<b>Priority 2</b>								
18. Corporate actions	CA market standards (68)	72%	G	Market practice change	September 2015	September 2016	Euroclear	Info source: BS6/E-MIG survey (Sep 2014). 49 (out of 68) standards already met - 72% compliance.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. There are no issues with securities amount data for the ESIS countries.



T2S Harmonisation Activities: Belgium (NBB-SSS)									
Activity	Sub-activity	Compliance	Status	Type of implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Testing readiness achieved	If standards/rules are not fulfilled, please provide the time table and various milestones/dates in the implementation plan. Fully operational according to the T2S standard			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/16	NBB-SSS	Info source: SP2 and bilateral input. NBB-SSS provides T2S ISO 20022 message compatibility since February 2015.	
	2. T2S mandatory matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards post implementation of the new technical platform	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2013. Registration process is paper based. No need to include registration info in settlement messages.	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2013. No additional information is requested in settlement messages for tax processing	
5. T2S schedule of settlement day	Market claims (28 standards)	93%		Market practice change				Info source: SP2, SP3 and bilateral input and 2014 NUG survey. NBB-SSS will fully comply with the T2S Schedule, whatever the final timings agreed. However NBB-SSS has raised concerns about the short time period between EoD and SoD.	
	Transformations (13 standards)	92%		Market practice change				Info source: CASG gap analysis survey 2015 and NUG clarification. Compliance with the T2S CA standards is only relevant for the government securities events. The NBB-SSS launched on 2 February 2015 a new technical platform and a new rulebook came into force at the same moment. This allows NBB-SSS to achieve almost full compliance with the T2S CA standards on market claims and transformations (except for some controls required at securities account level). Full compliance is planned by NBB-SSS migration to T2S (March 2016).	
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards following the implementation of the new technical platform in February 2015.	
	9. Settlement Finality III: irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards following the implementation of the new technical platform in February 2015.	
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing. No regulatory barrier for outsourcing of settlement services by the CSD to the Eurosystem.	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. NBB-SSS offers omnibus accounts.	
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No restrictions on omnibus accounts usage	
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards following the implementation of the new technical platform in February 2015.	
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	March 2016	NBB	Info source: HSG survey on T2S DCA numbering, April- May 2013.	
Activity	Sub-activity	Compliance	Status	Type of implementation Gap	Testing readiness achieved	Implementation Plan/Date	Implementation Actor(s)	Further Comments	
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R)	If the standards/rules are not yet implemented, please specify what is the type of gap	Ready for T2S testing	If standards/rules are not fulfilled, please provide the time table and various milestones/dates in the implementation plan. Fully operational according to the T2S standard	Relevant national actors for implementation		
<b>Priority 2</b>									
18. Corporate actions	CA market standards (44)	73%	G	Other	Testing readiness achieved	28/03/16	NBB	Info source: BSG (S-MG Survey (June 2013). 32 (out of 44) implemented - 73% compliance	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. NBB-SSS is in line with the European market practice.	
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A		

T2S Harmonisation Activities: Switzerland (SIX SIS)									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Testing readiness achieved			
Priority 1									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	22/06/2015	SIS	Info source: SPZ and bilateral input. SIS will send/receive messages to/from T2S in ISO 20022 XML message standards.	
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	22/06/2015	SIS	Info source: SPZ and bilateral input. SIX SIS will outsource matching to T2S for all transactions to be settled in T2S. T2S matching rules will apply.	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of registration information	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. T2S messages will not be used for passing on tax information	
5. T2S schedule of settlement day		Not compliant	R - March 2016	Market practice change	Nov-15	March 2016	SIS	Info source: NUG response to T2S survey (2014). Swiss market will not comply fully with the T2S settlement day schedule by its migration to T2S. However, there is a plan for full compliance by March 2016.	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	36%		Straight forward to implement				Info source: CASG gap analysis survey 2015. Good current compliance. Most non-fulfilled standards are deemed straightforward to implement.	
	Transformations (13 standards)	8%		Straight forward to implement				Implementation of some standards will require major technical change as well as market practice change. There is detailed plan to fully implement the standards by June 2015 when SIX SIS migrates to T2S.	
	Buyer protection (18 standards)	50%	G	Market practice change	Testing readiness achieved	22/06/2015	CH-MIG		
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	G	Straight forward to implement	N/A	22/06/2015	SIS	Info source: T2S NUGS surveys 2011 and 2012, SPZ and NUG Chairperson's response. The amendment to the SIX SIS GTC / Art. 34b will cover the T2S requirement for bilateral cancellation of settlement instructions after matching in T2S and the amendment does not require regulatory approval	
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	Change of CSD rules	N/A	22/06/2015	SIS	Info source: HSG SF III survey. Straightforward change of CSD rules. CSD's General Terms and Conditions for Participants may have to be changed. No barriers have been identified by the NUG in this process.	
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. Multiple omnibus accounts may be required per technical issuer CSD	
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.	
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	22/06/2015	SIS	Info source: April- May 2013 survey. SIS plans to open accounts in T2S for its participants as per T2S standards	
	16. Dedicated cash account numbering	N/A	N/A	N/A	N/A	N/A	N/A	Swiss MCB does not offer DCAs services/No CHF in T2S	
Priority 2									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Testing readiness achieved			
18. Corporate actions	CA market standards (68)	84%	G	Straight forward to implement	Testing readiness achieved	22/06/2015	SIS	Info source: BSG/E-MIG Survey (Sep 2014). 57 (out of 68) standards already met - 84% compliance	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. Complies already with the standard	
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Complies already with the standard	





T2S Harmonisation Activities: Germany								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					Ready for T2S testing	Fully operational according to the T2S standard		
<b>Priority 1</b>								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	12/09/2016	CBF	Info source: SP2 and bilateral input. Full compliance is planned upon migration to T2S
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	12/09/2016	CBF	Info source: SP2 and bilateral input. Full compliance is planned upon migration to T2S
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of registration information
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for passing on transmission of tax information
5. T2S schedule of settlement day		Not compliant	G	Change of market practice	Testing readiness achieved	12/09/2016	CBF	Info source: SP2 and bilateral input and NUG survey 2014. Plan and dates for full compliance with T2S Schedule are available. Minor operational issues relating to specific ISINs processes do not impact overall compliance with the T2S Schedule.
	Market claims (28 standards)	50%	R??	Legislative change	Testing readiness achieved			Info source: CASG gap analysis survey 2015 and bilateral clarifications with German NUG.
	Transformations (13 standards)	0%		Legislative change				The key issue regarding the introduction of a "record date" in Germany is planned for 1 January 2016, prior to migration to T2S (Sept 2016).
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	83%		Market practice change	Testing readiness achieved	Mar-17		For some other CA standards, compliance is planned to take place six months after CBF migrates to T2S. There is still no firm date for implementing some remaining standards which require political agreement with German authorities.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	G	Straight forward to implement	N/A	12/09/2016	CBF	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input.
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	Straight forward to implement	N/A	12/09/2016	CBF	The bilateral cancellation (offer matching) principle will be introduced to the German market upon Clearstream's migration to T2S.
Legal harmonisation	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
	12. Settlement cycles	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG Survey on T2S settlement finality rule III. Need for changes in the CSD rules. No barriers have been identified by NUG. Full compliance by migration to T2S.
	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	12/09/2016	CBF	Info source: HSG survey on T2S Securities account numbering, April-May 2013. No barriers identified.
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	22/06/2015	DE NCB	Info source: HSG survey on T2S DCA numbering, April-May 2013. No barriers identified.
Activity	Sub-activity	Compliance		Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
		Indicates level of compliance with the relevant standards/rules		If the standards/rules are not yet implemented, please specify what is the type of gap	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Relevant national actors for implementation	
<b>Priority 2</b>								
18. Corporate actions	CA market standards (68)	93%	G	Regulatory/legislative change	Testing readiness achieved	12/09/2016	German MIG	Info source: BSG/E-MIG Survey (Sep 2014). 68 (out of 68) standards already met - 93% compliance
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	

T2S Harmonisation Activities: Denmark								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Act(s)	Further Comments
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Relevant national actions for implementation		
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	VP	Info source: SP2 and bilateral input. VP is planning to fully comply with the relevant T2S standard by its migration to T2S.
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	VP	Info source: SP2 and bilateral input. VP is planning to fully comply with the relevant T2S standard by its migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Registration information is not part of the settlement instruction
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Tax information is directly associated with the account hence no need to transfer the details in settlement message
5. T2S schedule of settlement day		Not compliant	G	Technical change/market practice	Testing readiness achieved	September 2016	VP and DK NUG	Info source: SP2, bilateral input and NUG survey 2014. There are for full compliance with T2S Schedule. No issues identified except the general concerns on the End of Day reporting and Start of Day time period.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	21%	G	Major technical change				Info source: CASG gap analysis survey 2015As part of the implementation plan provided by DK NUG, VP will offer an automated CA on flow solution. According to VP, this solution will be ready for community testing prior to T2S migration (September 2016). Full implementation of the standards is considered straight forward to implement. DK market has already started to comply with some of the T2S CA standards relating to MGS and transformations.
	Buyer protection (18 standards)	15% 0%	G	Major technical change Major technical change	November 2015	September 2016	VP and DK NUG	Info source: CASG gap analysis survey 2015As part of the implementation plan provided by DK NUG, VP will offer an automated CA on flow solution. According to VP, this solution will be ready for community testing prior to T2S migration (September 2016). Full implementation of the standards is considered straight forward to implement. DK market has already started to comply with some of the T2S CA standards relating to MGS and transformations.
Legal harmonisation	8. Settlement Finality II: Irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input. Full compliance with T2S SF II rule
	9. Settlement Finality III: Irrevocability of securities transfers.	Not compliant	Y	CSD rule/regulatory/legislative approval	N/A	01/09/2016	Finanstilsynet (Danish Financial Supervisory Authority)	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input. Those new provisions in the VP SECURITIES Clearing Rules will ensure that settlement in T2S will be unconditional, irrevocable and enforceable under Danish law. The changes to the Danish securities Trading Act will be sent for consultation in June 2015 and brought in at the end of 2015. The amendments will be put into effect prior to the migration of Danish market to T2S
12. Settlement cycles	10. Outsourcing IT (Settlement ) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
	11. Settlement cycles	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral discussions.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral discussions.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	01/09/2016	VP	Info source: HSG survey on T2S Securities account numbering, April-May 2013. Only System change are required.
	16. Dedicated cash account numbering	Not compliant	G	System changes	Testing readiness achieved	01/06/2015	DK NCB	Info source: HSG survey on T2S DCA numbering, April-May 2013. T2S standard will be adopted into the current system and future system.
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Act(s)	Further Comments
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Relevant national actions for implementation		
Priority 2								
18. Corporate actions	CA market standards (68)	78%	G	Market Practice Change	Testing readiness achieved	September 2016	VP and Danish NUG	Info source: BSG/E-NIG Survey (Sep 2014). 53 (out of 68) standards already met - 78% compliance
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral discussions.



T2S Harmonisation Activities: Estonia								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Fully operational according to the T2S standard		
<b>Priority 1</b>								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	16/11/2015	06/02/2017	ECSO	Info source: SP2 and bilateral input. 2013 Q2 status gathering template. Plans for full compliance by migration date are confirmed and no issues identified.
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	16/11/2015	06/02/2017	ECSO	Info source: SP2 and bilateral input. 2013 Q2 status gathering template. Plans for full compliance by migration date are confirmed and no issues identified.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Info source: T2S HSG surveys 2013. Estonia is a direct holding market. Settlement and Registration are done based on owner information associated with security account number and settlement messages do not contain registration information. The settlement and registration takes place at the same time.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Info source: T2S HSG surveys 2013. Settlement messages are not used to pass on tax related information
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	16/11/2015	06/02/2017	ECSO	Technical adaptations and amendments to rules and regulations of CSD are required. No barriers identified and detailed plan/roadmap is available for carrying out necessary changes. The full compliance, technical and legal, will be achieved as of migration to T2S (February 2017)
	Market claims (28 standards)	43%						Info source: CASG gap analysis survey 2015. Some standards already met. No changes in primary legislation have been identified and only amendments to the CSD rules will be needed. Commitment to achieve technical compliance by Q3 2015 and implementation in the rules of the CSD as of Q1 2017.
	Transformations (13 standards)	15%						
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	0%						
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS surveys 2011 and 2012, SP2, HSG 2013 bilateral input. The local settlement system supports the same cancellation principles as T2S. Matched instruction demands cancellation instructions from both counterparties.
Legal harmonisation	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	CSD rules change	N/A	06/02/2017	ECSO	Info source: T2S NUGS surveys 2011 and 2012, SP2, HSG 2013 Survey on SF III. The ECSD SSS Rules are planned to be updated allowing for the full recognition of the unconditional, irrevocability and enforceability of the settlement processed on the T2S platform (instead of the ECSD system) and the relevant amendments to be enforced as of T2S implementation. Plans for full compliance confirmed and no issues identified
	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG: Fully compliant since 6 October 2014.
		Fully compliant	B	N/A	N/A	N/A	N/A	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straightforward to implement	16/11/2015	06/02/2017	ECSO	Info source: HSG survey on T2S securities account numbering April 2013. T2S standard will be implemented by migration to T2S
	16. Dedicated cash account numbering	Not compliant	G	Straightforward to implement	21/09/2015	06/02/2017	Eesti Pank	Info source: HSG survey on T2S DCA numbering, April-May 2013
Activity		Compliance	Status	Type of implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R)	If the standards/rules are not yet implemented, please specify what is the type of gap	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Fully operational according to the T2S standard	Relevant national actors for implementation	
<b>Priority 2</b>								
18. Corporate actions	CA market standards (68)	43%	Y	Regulatory/legislative change	16/11/2015	06/02/2017	NUG/MIG	Info source: BSG/E-MIG Survey (Sep 2014). 29 (out of 68) standards already met - 43% compliance
	23. Securities amount static data	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.

T2S Harmonisation Activities: Spain (IBERCLEAR)									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Fully operational according to the T2S standard			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	30/09/2015	06/09/2017	Iberclear	Info source: SP2 and bilateral input. Plans/dates for full compliance before T2S migration are confirmed and no issues identified	
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	30/09/2015	06/09/2017	Iberclear	Info source: SP2 and bilateral input. Plans/dates for full compliance before T2S migration are confirmed and no issues identified	
	3. Interaction for registration	Not compliant	G	Straight forward to implement	09/10/2015	06/09/2017	Iberclear	Info source: T2S HSG surveys 2013. Specific procedure for exchanging registration information is to be developed. Post ES market reform, settlement instructions will not be used for passing registration information. There are no barriers to implementation before migration to T2S	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transfer tax information	
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	Q1 2016	06/09/2017	Iberclear	Info source: SP2 and bilateral input and NUG survey 2014. Plans/dates for full compliance confirmed and no issues identified	
6. Corporate actions T2S CA standards (69)	Market claims (28 standards)	46%		Low rank legislative change/ Technical changes				Info source: CASG gap analysis survey 2015. Changes in level II legislation are needed to fully comply with the T2S standards. Implementation of most standards will take place by October 2015. A few standards will only be implemented as from migration of IBERCLEAR to T2S in 2017.	
	Transformations (13 standards)	46%	G	Major technical change	Q1 2016	06/09/2017	Legislators/ IBERCLEAR		
	Buyer protection (18 standards)	0%		Manual BP to be implemented					
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. No need for any changes for compliance with T2S SF II rule	
	9. Settlement Finality III: Irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. No need for any changes for compliance with T2S SF III rule	
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
12. Settlement cycles		Partly compliant	G	Straight forward to implement	N/A	01/11/2015	Competent authority for supervision of trading venues	Info source: 2014 HSG survey on settlement cycle. Spanish fixed income securities markets (public and private debt) has migrated to T-2 on 06/10/2014. For the Spanish Stock Exchange transactions (mainly equities) full compliance is planned for November 2015	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Full compliance in place.	
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Full compliance in place.	
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Q2 2015	06/09/2017	Iberclear	Info source: HSG survey on T2S Securities account numbering. April-May 2013. Implementation of the standard is part of adaptation to the new CSD platform	
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering. April-May 2013. Full compliance in place.	
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	74%	G	Some standards will require major technical change and other will need regulatory change	Q1 2016 (at the latest)	2015	Iberclear	Info source: BSG/E-MIG Survey (Sep 2014). 50 (out of 68) standards already met - 74% compliance	
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.	



T2S Harmonisation Activities: Finland									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					If standard/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Fully operational according to the T2S standard			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG response 2015. T2S version of ISO20022 message standard is already implemented in production environment from 1 December 2014. The Finnish market is already using these T2S messages.	
	2. T2S mandatory matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG response 2015. T2S mandatory matching fields are already implemented in production environment from 1 December 2014. The Finnish market is already using the T2S matching fields.	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transfer registration information	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transfer tax information	
5. T2S schedule of settlement day	Market claims (28 standards)	0%	G	Straight forward to implement	Not available	Q4/2015	Euroclear FI	Info source: SP3 and NUG survey 2014. No barriers to implementation. However, there is an open issue regarding issuers' options to provide liquidity for the night time settlement. Discussions are ongoing with all relevant market participants.	
	Transformations (13 standards)	0%	G	Legislative changes Major technical changes/Market practice change	16/11/2015	Q4/2015	MG and Euroclear FI	Info source: CASG gap analysis survey 2015. No standards currently met. There are ongoing consultations with the authorities on processes relating to tax deduction and reporting to tax authorities. No change in tax legislation is required. There is detailed plan to meet the standards by Q2 2016.	
	Buyer protection (18 standards)	0%	G	Straight forward to implement					
Legal harmonisation	8. Settlement Finality II: Irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. Already implemented (Sep 2013)	
	9. Settlement Finality III: Irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. No need for any changes for compliance with T2S SF III rule	
12. Settlement cycles	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input	
	14. Restrictions on omnibus accounts	Not compliant yet	Y	Legal/regulatory	ready for testing (except specific restriction)	Not available	National legislator	Info source: T2S NUGs survey and bilateral input. FI investors' (equities) holdings are excluded from the omnibus account structure. On going discussions with the Ministry but no plan to introduce any changes is available.	
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG response 2015. Fully operational since 2 February 2015	
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	06/02/2017	FI INCB	Info source: HSG survey on T2S DCA numbering. April: May 2013 and further bilateral clarification. FI INCB will open DCA beginning 3rd migration wave	
Activity									
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	59%	Y	No major barriers identified	Not available	31/12/2015	Euroclear FI	Info source: BSG/E/MIG Survey (Sep 2014). 40 (out of 68) standards already met - 59% compliance	
23. Securities amount - static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG response 2015. Fully operational since 2 February 2015	

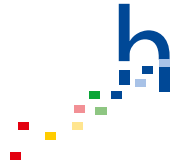
T2S Harmonisation Activities: France									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Implementation Plan/Date	Implementation Actor(s)			
Priority 1									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear FR	Info source: SP2 and bilateral input French NUG has confirmed plan and dates for full compliance prior to migration to T2S	
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear FR	Info source: SP2 and bilateral input French NUG has confirmed plan and dates for full compliance prior to migration to T2S	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for registration process.	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for sending tax related information.	
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear FR	Info source: SP2 and bilateral input The ESSE operational day will be amended to cope with the timing of T2S. T2S accounting day will be considered the Master day. General concern on the time period between T2S End of day and Start of Day.	
	Market claims (28 standards)	43%		Major technical change				Info source: CASG gap analysis survey 2015. The French market plans to achieve full compliance with most T2S standards by the time of its migration to T2S in March 2016.	
	Transformations (13 standards)	23%		Major technical change				However, the French market will fully comply with the remaining transformations and buyer protection standards, with regards to voluntary corporate actions, in September 2014, i.e. six months after EoC France migrates to T2S.	
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	0%	R	Other	September 2015	September 2016	FR - MIG	Info source: T2S NUGs survey 2011 and 2012, SP2 and bilateral input. EoC already complies with T2S SFII rule (bilateral)	
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. Straight forward to implement before migration to T2S. Euroclear France will update its operating rules according to the T2S SF III rule and have them approved by the French financial markets authority. No barriers are identified.	
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	CSD rules change	N/A	28/03/2016	Euroclear FR/Regulator	Info source: T2S NUGs survey and bilateral input. Full compliance with omnibus account availability in France	
12. Settlement cycles	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing. Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Full compliance with omnibus account availability in France	
CSD account structures	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	No restrictions on omnibus accounts usage	
	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear FR	Info source: HSG survey on T2S Securities account numbering, April - May 2013. French market plans for full compliance prior to migration to T2S.	
T2S accounts numbering	16. Dedicated cash account numbering	Not compliant	G	Market Practice Change	Testing readiness achieved	June 2015	NCB	Info source: HSG survey on T2S Securities account numbering, April - May 2013. French market plans for full compliance prior to migration to T2S.	
Priority 2									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Implementation Actor(s)	Further Comments		
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R)	If the standards/rules are not yet implemented, please specify what is the type of gap	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Ready for T2S testing	Relevant national actors for implementation			
18. Corporate actions	CA market standards (68)	62%	Y	Major technical change	September 2015	September 2016	FR-MIG	Info source: BSG/E-MIG Survey (September 2014). 42 (out of 68) standards already met - 62% compliance	
	23. Securities amount static data	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Fully compliant with European market practice	



T2S Harmonisation Activities: Greece (BOGS)								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Ready for T2S testing		
<b>Priority 1</b>								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Technical change	Testing readiness achieved	22/06/2015	BOGS	Info source: SP2 and bilateral input. Plan and dates for full compliance prior to migration to T2S have been provided.
	2. T2S mandatory matching fields	Not compliant	G	Technical change	Testing readiness achieved	22/06/2015	BOGS	Info source: SP2 and bilateral input. Plan and dates for full compliance prior to migration to T2S have been provided.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Registration info is not required for securities issued and settled in BOGS.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to pass tax information.
5. T2S schedule of settlement day		Not compliant	G	Other	Testing readiness achieved	22/06/2015	BOGS/GR-NUG	Info source: SP2 and bilateral input and NUG Chairperson's response. Plans and dates for full compliance prior to migration to T2S have been provided.
	Market claims (28 standards)	43%		Other				
	Transformations (13 standards)	0%		Other				
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	0%	G	Other	Testing readiness achieved	22/06/2015	BOGS for MCs and TRANS / GR-NUG for BP	Info source: CASG gap analysis survey 2015. Corporate action types and volumes expected to be limited (only government securities). BOGS has committed to comply fully with the standards by the time of its migration to T2S. Technical changes of its platform have been implemented or migration to T2S. All the required implementations in BOGS system have been concluded and are currently being tested as part of the testing of the CSDs with T2S
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. Full compliance with T2S SF II rule already in place.
Legal harmonisation	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	Change in the CSD rules	N/A	01/06/2015	BOGS	Info source: T2S NUGs surveys 2011 and 2012, SP2, bilateral input, Q3 status gathering template. No issues identified with approval of relevant CSD rules change.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No issue with omnibus accounts availability
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No restrictions on omnibus accounts usage.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	No legal or regulatory barrier exists for implementation.	Testing readiness achieved	22/06/2015	BOGS	Info source: HSG survey on T2S Securities Account numbering, April- May 2013. Plans for full compliance prior to migration to T2S.
	16. Dedicated cash account numbering	Not compliant	G	Technical changes	Testing readiness achieved	22/06/2015	GR NCB	Info source: HSG survey on T2S Securities Account numbering, April- May 2013. Plans for full compliance prior to migration to T2S.
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Ready for T2S testing	Implementation Actor(s)	Further Comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what is the type of gap (for the dropdown list).	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Ready for T2S testing	Relevant national actors for implementation	
<b>Priority 2</b>								
18. Corporate actions	CA market standards (38)	78%	G	Other	30/06/2014	22/06/2015	BOGS	Info source: BSC/E-MIG Survey (Sep 2014). 18 (out of 23) standards already met - 78% compliance
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Already full compliance with the standard.

T2S Harmonisation Activities: Hungary							
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Further Comments
					Ready for T2S testing	if standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Fully operational according to the T2S standard	
<b>Priority 1</b>							
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	01/03/2015	12/09/2016	Info source: SP2 and bilateral input. Full plan and implementation dates for full compliance prior to migration to T2S are provided
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	01/03/2015	12/09/2016	Info source: SP2 and bilateral input. Full plan and implementation dates for full compliance prior to migration to T2S are provided
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for passing on registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for passing on tax related information
5. T2S schedule of settlement day		Not compliant	G	Major technical change	March 2015	September 2016	Info source: SP2 and bilateral input and NUG Chairperson's response and NUG survey of 2014. CSD rules and procedures need to be amended however there are no regulatory obstacles to adhering with T2S settlement day schedule. No technical barriers identified for implementation. Detailed plan available to achieve full compliance before migration to T2S
	Market claims (28 standards)	4%		Regulatory/legislative/ technical change			Info source: CASG gap analysis survey 2015. Consultations with tax authorities are ongoing on clarifying withholding tax regime for cash entitlements on CA flows. Other proposals for legislative changes have been submitted by Keler to the authorities but no problems have been identified and the current plan is to implement those by end 2015. Detailed analysis and plan exist to fully comply with all standards from technical perspective by May 2015 (go-live of the new software). However full implementation is planned by Keler's migration to T2S.
	Transformations (13 standards)	8%		Major technical/ market practice and legal change			
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	6%	G	Market practice and legal change	01/03/2015	12/09/2016	KELER, regulator, NUG
		Not compliant	G	CSD rules change	N/A	12/09/2016	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input and NUG response. Plans and dates provided. However no legislative changes are required. CSD rules change requires NCB approval. No barriers are foreseen in the procedure to incorporate these changes to the CSD rules
Legal harmonisation	8. Settlement Finality II: Irrevocability and enforceability transfer order	Not compliant	G	CSD rules change	N/A	12/09/2016	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input. Plans and dates provided. However no legislative changes are required. CSD rules change requires NCB approval. No barriers are foreseen in the procedure to incorporate these changes to the CSD rules
	9. Settlement Finality III: Irrevocability of securities transfers.	Not compliant	G	CSD rules change	N/A	12/09/2016	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input. Plans and dates provided. However no legislative changes are required. CSD rules change requires NCB approval. No barriers are foreseen in the procedure to incorporate these changes to the CSD rules
12. Settlement cycles	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
		Fully compliant	B	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No barriers identified.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No barriers identified.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement.	01/03/2015	12/09/2016	Info source: HSG survey on T2S Securities account numbering, April- May 2013. No barriers foreseen for complying fully before migration to T2S.
	16. Dedicated cash account numbering	N/A	N/A	N/A	N/A	N/A	At the moment, the Hungarian NCB does not plan to open DCAs in T2S
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Further Comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what is the type of gap	Ready for T2S testing	if standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Fully operational according to the T2S standard	Relevant national actors for implementation
<b>Priority 2</b>							
18. Corporate actions	CA market standards (68)	25%	R	Technical change and market practice change for some standards	01/03/2015	12/09/2016	Info source: BSE/E-MIG Survey (Sep 2014). 17 (out of 68) standards already met - 25% compliance
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Full compliance with the EU standard.





T2S Harmonisation Activities: Italy								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Relevant national actors for implementation		
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straightforward to implement	Testing readiness achieved	June 2015	Monte Titoli	Info source: SP2 and bilateral input and quarterly status gathering templates. Full compliance is planned upon migration to T2S.
	2. T2S mandatory matching fields	Not compliant	G	Major technical change	Testing readiness achieved	June 2015	Monte Titoli	Info source: SP2 and bilateral input and quarterly status gathering templates. Full compliance is planned upon migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages do not contain any registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013 and bilateral input. Settlement messages do not contain any tax related information.
5. T2S schedule of settlement day	Not compliant	G	Straightforward to implement	Testing readiness achieved	June 2015	Monte Titoli	Info source: SP2 and bilateral input and NUG survey. No issues identified with full compliance. Before migration to T2S. General concern with EOD-SOD needed	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	32%		Market practice change				Info source: CDSG gap analysis survey 2015. No regulatory/legal obstacles have been identified to achieve full compliance. Upon migration to T2S. The necessary technical changes have been actually implemented and are deployed in the test environment of Monte Titoli; testing with its participants has taken place as scheduled in February-March, on time for the new system to be ready for the go live of T2S.
	Transformations (13 standards)	38%		Market practice change				
	Buyer protection (18 standards)	6%	G	Other	Testing readiness achieved	June 2015	Monte Titoli and IT NUG	
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability of transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS surveys 2011 and 2012, SP2 and bilateral input. Fully compliant with T2S SEI rule
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	Change of CSD rules	N/A	June 2015	Monte Titoli	Info source: T2S NUGS surveys 2011 and 2012, SP2 and bilateral input. Compliance requires only change of CSD rules. No need for regulatory changes.
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. No barriers identified.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. No barriers identified.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straightforward to implement	Testing readiness achieved	June 2015	Monte Titoli	Info source: HSG survey on T2S Securities account numbering, April-May 2013. Plans for full implementation upon migration to T2S.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013. Bd already complies fully with T2S standard.
Priority 2								
18. Corporate actions	CA market standards (68)	99%	G	Straight forward to implement	Testing readiness achieved	June 2015	IT NUG	Info source: BSG/E-MIG Survey (Sep 2014). 67 (out of 68) standards already met - 99% compliance
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input. IT market complies fully with the EU standard
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	

T2S Harmonisation Activities: Lithuania									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straightforward to implement	16/11/2015	06/02/2017	LCVPD	Info source: SP2 and bilateral input. New IT system for LCVPD. Plans and dates for full compliance before migration to T2S have been provided.	
	2. T2S mandatory matching fields	Not compliant	G	Straightforward to implement	16/11/2015	06/02/2017	LCVPD	Info source: SP2 and bilateral input. New IT system for LCVPD. Plans and dates for full compliance before migration to T2S have been provided.	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from the NUG. Settlement messages are not used to transmit registration information	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSC surveys 2013. Settlement messages are not used to transmit tax related information	
5. T2S schedule of settlement day		Not compliant	G	Technical adaptations and CSD rule change	16/11/2015	06/02/2017	LCVPD	Info source: SP2 and bilateral input and NUG survey. Plan and dates provided. No barriers identified.	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	0%		Regulatory/legislative change				Info source: CASG gap analysis survey 2015. No obstacles have been identified for complying fully by migration date.	
	Transformations (13 standards)	0%		Regulatory/legislative change				The Lithuanian market has provided a detailed and multiphase implementation plan. Technical implementation will take place in Q3 2015 with the start of internal testing. This will be followed by T2S testing. CSD rule changes will take effect as of migration to the new system and as of migration date to T2S (Feb 2017)	
	Buyer protection (18 standards)	0%	G	Regulatory/legislative change	16/11/2015	December 2016	LCVPD	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input and NUG Chairperson's response. There is a plan for changing the CSD rules subject to regulatory approval. [No information on any legal/regulatory barriers identified]	
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	Y	CSD rules change	N/A	06/02/2017	LCVPD	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input and NUG Chairperson's response. There is a plan for changing the CSD rules subject to regulatory approval. [No information on any legal/regulatory barriers identified]	
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	Y	CSD rules change	N/A	06/02/2017	LCVPD	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input and NUG Chairperson's response. There is a plan for changing the CSD rules subject to regulatory approval. [No information on any legal/regulatory barriers identified]	
12. Settlement cycles	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No barriers identified.	
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No barriers identified.	
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straightforward to implement. No issues foreseen	16/11/2015	06/02/2017	LCVPD	Info source: HSG survey on T2S Securities account numbering. April-May 2013. T2S standard will be introduced in production with the implementation of new CSD system. Plans and dates have been provided.	
	16. Dedicated cash account numbering	Not compliant	G	Straightforward to implement	31/08/2015	06/02/2017	Bank of Lithuania	No obstacle for T2S standard adaptation. Info source: HSG survey on T2S DCA numbering. April-May 2013. Plan and dates have been provided.	
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what is the type of gap	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Relevant national actors for implementation		
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	22%	R	Legal barrier, Market practice changes and changes in CSD rules and regulations	16/11/2015	06/02/2017	LCVPD	Info source: BSG/E-NUG Survey (Jan 2014). 15 (out of 68) standards already met - 22% compliance	
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Fully compliant with WU standard.	



T2S Harmonisation Activities: LUX CSD									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	Implementation Actor(s)
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	12/09/2016	LUX CSD	Info source: SP2 and bilateral input.	LUX CSD
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	12/09/2016	LUX CSD	Info source: SP2 and bilateral input. Lux CSD confirmed that there are no issues with full compliance with T2S mandatory matching fields	LUX CSD
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Registration information is not transferred via settlement messages	N/A
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Tax information is not transferred via settlement messages	N/A
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	LUX CSD	Info source: SP2 and bilateral input. No issues foreseen in complying with T2S standards.	LUX CSD
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	54%		Straight forward to implement					
	Transformations (13 standards)	0%		Straight forward to implement					
	Buyer protection (18 standards)	94%	G	Straight forward to implement	Not available	September 2016	LUX CSD	Info source: CASG gap analysis survey 2015. Where non-compliance has been indicated with certain T2S CA standards, LUX CSD has confirmed that only a change in market practice would be necessary. There is a plan to comply with the standards by the migration of Lux CSD to T2S in September 2016.	LUX CSD
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	G	Regulatory/legislative change	N/A	12/09/2016	LUX CSD	Info source: T2S NUGS surveys 2011 and 2012. SP2 and bilateral input. Lux CSD will follow CBF instruction cancellation process.	LUX CSD
	9. Settlement Finality III: irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Survey on T2S settlement finality rule II and NUG response. SFIII is ensured via provisions in public Luxembourg law	N/A
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	N/A
	12. Settlement cycles	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	N/A
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.	N/A
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.	N/A
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	LUX CSD	Info source: HSG survey on T2S Securities account numbering. April - May 2013	LUX CSD
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	June 2015	BCL	Info source: HSG survey on T2S DCA numbering. April - May 2013	BCL
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	Implementation Actor(s)
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.			
<b>Priority 2</b>									
18. Corporate actions	CA market standards (66)	50%	Y	Other	To be decided	To be decided	LUX CSD	Info source: BSG/E-MIG Survey (Jan 2014). 34 (out of 66) standards already met - 50% compliance	LUX CSD
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral input.	N/A

T2S Harmonisation Activities: VP LUX								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.		
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	VP Lux	Info source: SP2 and bilateral input. VP is planning to use the T2S ISO 20022 standard for information management services in line with UDS.
	2. T2S mandatory matching fields	Not compliant	G	Major technical change	Testing readiness achieved	September 2016	VP Lux	Info source: SP2 and bilateral input. Plans and dates for full compliance have been provided.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	VP Lux	Info source: T2S HSG surveys 2013. Registration information is not part of the instruction and information about registration is taken directly from the accounts
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	VP Lux	Info source: T2S HSG surveys 2013. Tax information is directly associated with the account hence no need to transfer the details in settlement message
5. T2S schedule of settlement day		Not compliant	G	Major technical change	Testing readiness achieved	September 2016	VP Lux	Info source: SP2 and bilateral input and NUG response. Plans and dates for full implementation have been provided. General concern on the End Of Day reporting and Start Of Day time period.
6. Corporate actions T2S CA standards (S9)	Market claims (28 standards)	21%					VP Lux	Info source: CASG gap analysis survey 2015. VP LUX has committed to fully comply with the T2S CA standards prior to its migration to T2S (Sept 2016).
	Transformations (13 standards)	15%	G	Market practice	November 2015	September 2016		As part of its plan, VP LUX will offer an automated CA on flow service to its participants. The service will be ready for community testing in February 2016 prior to migration of VP LUX to T2S
	Buyer protection (18 standards)	0%						
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012. SP2 and bilateral input. Full compliance with bilateral cancellation after matching.
	9. Settlement Finality III: irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Survey on T2S settlement finality rule III and NUG response. SFIII is ensured via provisions in public Luxembourg law
	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	System changes	Testing readiness achieved	September 2016	VP Lux	Info source: HSG survey on T2S Securities account numbering. April-May 2013. System changes are required.
	16. Dedicated cash account numbering	Not compliant	G	Straightforward to implement	Testing readiness achieved	June 2015	NGB	Info source: HSG survey on T2S DCA numbering. April-May 2013. BCL to comply fully.
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Implementation Actor(s)	Further Comments	
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what is the type of gap	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Fully operational according to the T2S standard	Relevant national action for implementation	
Priority 2								
18. Corporate actions	CA market standards (S8)	50%	Y	Other	Testing readiness achieved	September 2016	VP Lux	Info source: ISG/E-MIG Survey (Jan 2014). 34 (out of 68) standards already met. 50% compliance
23. Securities amount	SECURE data	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.



T2S Harmonisation Activities: Latvia									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Ready for T2S testing			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	16-Nov-15	06-Feb-17	Latvia CSD	Source: bilateral input and quarterly self assessment. Plans to comply fully by migration date	
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	16-Nov-15	06-Feb-17	Latvia CSD	Source: bilateral input and quarterly self assessment. Latvia CSD will be technically compliant after the launch of new CSD system in Jan 2015	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input. Registration information is not passed through settlement messages	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input. Tax related information is not passed through settlement messages	
5. T2S schedule of settlement day		Not compliant	G	Major technical change	16-Nov-15	06-Feb-17	Latvia CSD	Source: bilateral input and quarterly self assessment and NUG survey 2014. Technical adaptations and amendments in the Latvian CSD's operational rules are required. No barriers exist and complete plan is available	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	0%		Regulatory/legislative change				Info source: CASG gap analysis survey 2015. Full compliance is planned by February 2017, although the majority of changes will be implemented by Q2 2016.	
	Transformations (13 standards)	0%	Y	Regulatory/legislative change		10-Oct-16	Latvia CSD	There is an outstanding issue with tax law which needs to be solved to ensure that full compliance with the standards is achieved on time for introduction to T2S.	
	Buyer protection (18 standards)	0%		Market practice				Source: bilateral input. Existing rules need to be updated and the same needs approval from the market as well as regulator. However no barriers have been identified for compliance	
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	G	Regulatory/legislative change		06-Feb-17	Latvia CSD	Source: SFII survey and bilateral input. CSD rules amendment and regulatory approval will take place before migration to T2S	
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	Y	Regulatory/legislative change		06-Feb-17	Latvia CSD / CSD participants / FSA	Source: SFII survey and bilateral input. CSD rules amendment and regulatory approval will take place before migration to T2S	
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input	
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input. There are no restrictions rules regarding omnibus account in Latvian CSD	
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	November 16, 2015	February 6, 2017	Latvia CSD	Source: bilateral input and quarterly self assessment	
	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	November 16, 2015	February 6, 2017	Latvia CB	Info source: HSG survey on T2S DCA numbering, April-May 2013	
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Implementation Actor(s)	Further Comments		
		Indicates level of compliance with the relevant standards/rules (Y), red (R), blue (B)	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what is the type of gap	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.	Ready for T2S testing	Relevant national actors for implementation		
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	81%	G	Major technical change	November 16, 2015	February 6, 2017	Latvia CSD	Info source: BSG/E-MIG Survey (September 2014). 55 (out of 68) standards already met -81% compliance	
23. Securities amount static data		Not compliant	G	Straight forward to implement	November 16, 2015	February 6, 2017	Latvia CSD	Source: bilateral input and quarterly self assessment.	

T2S Harmonisation Activities: Malta								
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan		
<b>Priority 1</b>								
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Other	Testing readiness achieved	22/06/2015	MSE	Info source: SP2 and bilateral inputs. Only technical change is required. Plan and dates provided.
	2. T2S mandatory matching fields	Not compliant	G	Other	Testing readiness achieved	22/06/2015	MSE	Info source: SP2 and bilateral inputs. Only technical change is required. Plan and dates provided.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG survey 2013. Settlement messages are not used to pass registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG survey 2013. Settlement messages are not used to pass tax related information.
5. T2S schedule of settlement day		Not compliant	G	Other	Testing readiness achieved	22/06/2015	Malta CSD/ Stock Exchange	Info source: NUG response 2015. Rules including time-tables compliant with T2S schedules have been finalised and have been disseminated to the market.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	100%		Market practice change				Info source: CASG gap analysis survey 2015. The Maltese market has been able to achieve 100% compliance with MC and transformation standards. Further testing and new rules are required for implementation of buyer protection standards and implementation plans are being finalized.
	Transformations (13 standards)	100%		Market practice/ technical				
	Buyer protection (18 standards)	0%	G	Regulatory/ market practice/ technical change	Testing readiness achieved	22/06/2015	MSE	
Legal harmonisation	8. Settlement Finality II: Irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	NA	MSE	Info source: T2S NUGs surveys 2011 and 2012, SP2, SP3, status gathering templates and bilateral inputs. Regulatory changes have been made.
	9. Settlement Finality III: Irrevocability of securities transfers.	Fully compliant	B	N/A	N/A	NA	MSE	Info source: T2S NUGs surveys 2011 and 2012, SP2, SP3, status gathering templates and bilateral inputs. Regulatory changes have been made.
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs. Omnibus accounts are permitted in the Maltese market.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs. There are no restrictions attached to the omnibus accounts services.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straightforward to implement	Testing readiness achieved	22/06/2015	MSE	Info source: HSG survey on T2S Securities account numbering, April- May 2013.
	16. Dedicated cash account numbering	Not compliant	G	Straightforward to implement	Testing readiness achieved	22/06/2015	Central bank of Malta	Info source: HSG survey on T2S DCA numbering, April- May 2013
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan		
<b>Priority 2</b>								
18. Corporate actions	CA market standards (68)	44%	Y	Other	Testing readiness achieved	June 2015	MSE	Info source: BSG/E-MIG Survey (June 2013). 30 (out of 68) standards already met - 44% compliance
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs.



T2S Harmonisation Activities: Netherlands									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Fully operational according to the T2S standard			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear NL	Info source: SP2 and bilateral inputs. Plans and dates for full compliance have been provided.	
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear NL	Info source: SP2 and bilateral inputs. Plans and dates for full compliance have been provided.	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. There are no registered securities in Netherlands. Registration information is not transmitted via settlement messages	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transmit tax related information	
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	Testing readiness achieved	28/03/2016	Euroclear NL	Info source: SP2 and bilateral inputs. The ESES operational day will be amended to cope with the timing of T2S. T2S accounting day will be considered the Master day.	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	43%	R	Major technical change	01/09/2015	01/09/2016	NL-MIG	Info source: CASG gap analysis survey 2015. The Dutch market plans to achieve compliance with most T2S CA standards by the time of its migration to T2S in March 2016. However, the Dutch market will fully comply with the transformations and buyer protection standards with regards to voluntary corporate actions only in September 2016 (i.e. six months after EoC Netherlands migrates to T2S).	
	Transformations (13 standards)	23%		Major technical change					
	Buyer protection (18 standards)	0%		Other					
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS surveys 2011 and 2012. SP2 and bilateral inputs. EoC ESES already complies with bilateral cancellation after matching.	
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	Straight forward to implement	N/A	28/03/2016	Euroclear NL	Info source: T2S NUGS surveys 2011 and 2012. SP2 and bilateral inputs. Seems straightforward to achieve compliance based on the ESES set-up. A regulatory approval is required but no obstacles have been identified.	
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since October 2014.	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral inputs. There are no issues with Omnibus Accounts availability for the ESES countries	
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral inputs.	
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straightforward to implement	Testing readiness achieved	28/03/2016	Euroclear NL	Info source: HSG survey on T2S Securities account numbering. April- May 2013	
	16. Dedicated cash account numbering	Not compliant	G	Straightforward to implement	Testing readiness achieved	42177	DNB	Info source: HSG survey on T2S DCA numbering. April- May 2013	
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Fully operational according to the T2S standard			
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	78%	G	Major technical change	01/09/2015	01/09/2016	Euroclear	Info source: BSG/E-MIG Survey (Sep 2014). 53 (out of 68) standards already met - 78% compliance	
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGS survey and bilateral inputs. There are no issues with securities amount data for the ESES countries	

T2S Harmonisation Activities: Portugal (Interbolsa)							
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Further Comments
					Implementation Plan/Date	Implementation Actor(s)	
Priority 1							
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	March 2016	Interbolsa Info source: SP2 and bilateral inputs and quarterly status gathering templates.
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	March 2016	Interbolsa Info source: SP2 and bilateral inputs and quarterly status gathering templates.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: T2S HSG surveys 2013. No registration details are sent via settlement instructions
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: T2S HSG surveys 2013 and further bilateral clarifications. Tax related information is not passed while sending settlement instructions
5. T2S schedule of settlement day		Not compliant	G	Straight forward to implement	Testing readiness achieved	March 2016	Interbolsa Info source: SP2 and bilateral inputs and T2S NUG survey. Adaptations are ongoing to meet the T2S schedule and conditions by migration to the T2S. No barriers identified. However there is concern regarding short time between the EOD and the beginning of the NTS to process and send to T2S the Corporate Actions instructions.
	Market claims (28 standards) Transformations (13 standards)	75% 54%		Technical change Other			
6. Corporate actions T2S CA standards (59)	Buyer protection (18 standards)	0%	G	Manual BP to be implemented	September 2015	March 2016	Interbolsa Info source: CASG gap analysis survey 2015. Interbolsa has already achieved very high compliance with the T2S CA Standards (including adaptation of its internal system rules) and is working actively for implementation of the rest. The final Adaptation of internal systems to T2S CA standards will be carried out during 2014-15.
		Not compliant	G	Operational and technical change/ CSD rules change	N/A	March 2016	Interbolsa/National Regulator Info source: NUG response (Oct 2014). Technical change and CSD rule change. Preparation for T2S: October 2014 (Technical change) - Implemented for testing. Full compliance is planned by March 2016 (on the date of Interbolsa's migration).
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Not compliant	G				
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	CSD rules change	N/A	March 2016	Interbolsa/National Regulator Info source: Comments on 3rd progress report (Jan 2013). CSD rules will be amended. No legal/regulatory change or approval is needed.
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: 2014 HSG survey on IT Outsourcing.
		Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: T2S NUGS survey and bilateral inputs. Omnibus accounts are available
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: HSG discussions (Feb 2015). There are no restrictions on the omnibus accounts that need to be propagated down the settlement chain
T2S accounts numbering	15. Securities account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	March 2016	Interbolsa Info source: HSG survey on T2S Securities account numbering. April- May 2013. Implementation will coincide with system adaptation to T2S
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	Interbolsa Info source: HSG survey on T2S DCA numbering. April- May 2013
Priority 2							
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date	Implementation Actor(s)	Further Comments
		Indicates level of compliance with the relevant standards/rules (relevant standards/rules type of gap)	Green (G), Yellow (Y), Red (R)	If the standards/rules are not yet implemented, please specify what is the type of gap (use the dropdown list).	If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan. Ready for T2S testing	Relevant national actors for implementation	
18. Corporate actions	CA market standards (68)	91%	G	Market practice change and Technical change	2015	Interbolsa	Info source: BSG/E-MIG Survey (Sep 2014). 62 (out of 68) standards already met - 91% compliance Info source: T2S NUGS survey, bilateral inputs and comments on 3rd progress report (Jan 2013). Interbolsa has a plan to change to EU market practice prior to testing phase
	23. Securities amount static data	Not compliant	G	Major technical change	March 2016	Interbolsa	





T2S Harmonisation Activities: Romania								
Activity	Sub-activity	Compliance	Status	Type of implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.		
<b>Priority 1</b>								
T2S messages	1. T2S BO 2022: messages	Not compliant	G	Straight forward to implement	Testing readiness achieved	22/06/2015	DC	Info source: SP2 and bilateral inputs and quarterly status gathering templates. Plan and dates are provided.
	2. T2S mandatory matching fields	Not compliant	G	Straight forward to implement	Testing readiness achieved	22/06/2015	DC	Info source: SP2 and bilateral inputs and quarterly status gathering templates. Plan and dates are provided.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement instructions are not used to pass registration information
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement instructions are not used to pass tax related information
5. T2S schedule of settlement day		Not compliant	G	Major technical change	Testing readiness achieved	22/06/2015	CSD/NCB	Info source: SP3 and bilateral inputs. Plan and dates for full compliance are provided.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	0%	R	Market Practice				Info source: CASG gap analysis survey 2015.
	Transformations (13 standards)	0%	R	Regulatory/legislative change				The Romanian market will not comply with the T2S CA standards by its migration to T2S.
	Buyer protection (18 standards)	0%	R	Technical	31 October 2016	February 2017	CSD, Regulator, NCB	The BO T2S NUG has provided an implementation plan for achieving full compliance by February 2017. The plan includes detailed phases for technical and regulatory changes
Legal harmonisation	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral inputs. Fully compliant with T2S SF II rule
	9. Settlement Finality III: irrevocability of securities transfers.	Not compliant	G	Straight forward to implement	N/A	22/06/2015	CSD	Info source: Comments on 3rd progress report (Jan 2013). T2S SF II rule compliance will require change of CSD rules (but no change in regulation or legislation is required) although regulatory approval is necessary. No obstacles are identified so far.
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs. Omnibus accounts are available
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs.
T2S accounts numbering	15. Securities account numbering	Not compliant	G	No major technical/ regulatory gap in implementation	Testing readiness achieved	22/06/2015	CSD	Info source: HSG survey on T2S Securities account numbering, April- May 2013
	16. Dedicated cash account numbering	Not compliant	G	No major technical/ regulatory gap in implementation	Testing readiness achieved	42177	Bilateral actor a Romanian	Info source: HSG survey on T2S DCA numbering, April- May 2013
Activity	Sub-activity	Compliance	Status	Type of implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.		
<b>Priority 2</b>								
18. Corporate actions	CA market standards (68)	59%	Y	Market practice as well as regulatory changes	31 October 2016	01/02/2017	CSD, Regulator, NCB	Info source: ISG/E-NUG Survey (Sep 2014). 40 (out of 68) standards already met - 59% compliance
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs. No issues with securities amount data in Romania

T2S Harmonisation Activities: Slovenia									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Fully operational according to the T2S standard implementation plan.			
<b>Priority 1</b>									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Technical	March 2015	February 2017	KDD	Info source: SP2 and bilateral inputs. KDD will also implement T2S ISO 20022 messages where relevant for its communication with T2S, i.e. for processes not done via T2S GUI.	
	2. T2S mandatory matching fields	Not compliant	G	Technical	March 2015	February 2017	KDD	Info source: SP2 and bilateral inputs. As regards matching, KDD will introduce T2S matching fields.	
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of registration information.	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of tax information.	
5. T2S schedule of settlement day		Not compliant	G	Technical	March 2015	February 2017	KDD	Info source: SP2 and bilateral inputs. KDD will implement T2S settlement day schedule and T2S Calendar and will provide its services according to the needs of its users. No barriers identified.	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	0%		Regulatory/legislative/technical change				Info source: CASG gap analysis survey 2015. The Slovenian T2S NUG plans to fully comply with the standards by its migration to T2S in February 2017.	
	Transformations (13 standards)	0%	G	Regulatory/legislative/technical change	2Q 2015	February 2017	KDD/national legislators and regulators	In addition, major legal reform is expected to be finalised and voted in Q2 2015.	
	Buyer protection (18 standards)	0%		Other					
Legal harmonisation	8. Settlement Finality II: Irrevocability and enforceability transfer order	Not compliant	G	Regulatory change	N/A	March 2017	KDD	Info source: T2S NUGs surveys 2011 and 2012, SP2, status gathering templates Q2 2013 and bilateral inputs. Unilateral cancellation after ISD is still possible but KDD will comply fully with SF II rule prior to migration to T2S. KDD has to amend KDD's Operations rules to accommodate SFII requirements. No obstacles for regulatory change are identified.	
	9. Settlement Finality III: Irrevocability of securities transfers.	Not compliant	G	Legislative change and regulatory endorsement	N/A	March 2017	KDD/national legislators and regulators	Info source: T2S NUGs surveys 2011 and 2012, SP2, status gathering templates Q2 2013 and bilateral inputs. Provisional regulatory approval is completed. Legislative change is pending for T2S DCA settlement, but it should be straight forward. Final regulator's approval is required too. No obstacles are identified.	
12. Settlement cycles	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing.	
	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
CSD account structures	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral inputs. No issue.	
	15. Securities account numbering	Not compliant	G	Straight forward to implement	March 2015	Q1 2017	KDD	Info source: HSG survey on T2S Securities Account numbering. April: May 2013, Q2 2013 status gathering template.	
T2S accounts numbering	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	September 2016	S INCB	Info source: HSG survey on T2S DCA numbering. April: May 2013. Detailed roadmap for implementation is available.	
	Activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
<b>Priority 2</b>									
18. Corporate actions	CA market standards (68)	19%	R	Major technical change	4Q 2016	February 2017	KDD/national legislators and regulators	Info source: EISG/E-MIG Survey (Sep 2014). 13 (out of 68) standards already met - 19% compliance.	
	23. Securities amount static data	Not compliant	G	Straight forward to implement	1Q 2015	February 2017	KDD	Info source: Q2 2013 status gathering template.	



T2S Harmonisation Activities: Slovakia									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Implementation Plan/Date			
Priority 1									
T2S messages	1. T2S ISO 20022 messages	Not compliant	G	Technical change	15/06/2015	01/02/2017	CCDP	Info source: SP2 and bilateral inputs. Q2 2013 gathering template. CCDP offers the necessary communication in T2S ISO 20022 Standards for selected CCDP services.	
	2. T2S mandatory matching fields	Not compliant	G	Technical change	15/06/2015	01/02/2017	CCDP	Info source: SP2 and bilateral inputs. Q2 2013 status gathering template.	
	3. Interaction for registration	Not compliant	G	Technical change	15/06/2015	01/02/2017	CCDP	Info source: T2S HSG surveys 2013. Adaptation to the new practice will result from implementation of ISO20022 messaging standard	
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of tax information	
5. T2S schedule of settlement day		Not compliant	G	Market practice change	15/06/2015	01/02/2017	CCDP	Info source: SP2/SP3 and bilateral inputs and NUG survey. Plan for compliance before migration with the T2S schedule and calendar.	
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	0%						Info source: CASG and analysis survey 2015. CCDP will prepare the proposal for change of the Rules of Operation by 31 December 2015.	
	Transmissions (13 standards)	0%						Implementation of the necessary technological changes into its information systems will be finalised by CCDP deadline for SP8 in November 2015. The Slovakian market is aware of the CCDP's plans and no obstacles have been identified for their implementation.	
	Buyer protection (18 standards)	0%	G	Market practice/technical change /CSD rules change	01/11/2015	01/02/2017	CCDP	Info source: CASG and analysis survey 2015. CCDP will prepare the proposal for change of the Rules of Operation by 31 December 2015. Implementation of the necessary technological changes into its information systems will be finalised by CCDP deadline for SP8 in November 2015. The Slovakian market is aware of the CCDP's plans and no obstacles have been identified for their implementation.	
Legal harmonisation	8. Settlement Finality (I): irrevocability and enforceability transfer order	Not compliant	G	Technical change	N/A	01/02/2017	CCDP	Info source: Status gathering templates and NUG Chairperson's response. No legislative changes are required based on the updated legal analysis. This change required is part of business requirements for reshaping of internal IT system and there are no barriers to implementation.	
	9. Settlement Finality (II): irrevocability of securities transfers.	Not compliant	G	Technical change	N/A	01/02/2017	CCDP	Info source: Status gathering templates and NUG Chairperson's response. No requirement for any legislative change. The change required is part of business requirements for reshaping of internal IT system and there are no barriers to implementation.	
12. Settlement cycles	10. Outsourcing IT (settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT Outsourcing. With the CSDR being a law now, no barriers to outsourcing to public entities remain.	
	11. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.	
	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and Bilateral inputs.	
CSD account structures	14. Restrictions on omnibus accounts	Not compliant	Y	legislative change	N/A	01/02/2017	CCDP	Info source: T2S NUGs survey, bilateral inputs, SP3 Feasibility assessment, Q2 2013 status gathering templates and NUG responses. Restrictions on SF investors when CCDP acts as investor CSD. Currently the CCDP is finalising thorough updated legal analysis for adaptation of CCDP to T2S.	
	15. Securities account numbering	Not compliant	G	Straight forward to implement	15/06/2015	01/02/2017	CCDP	Info source: HSG survey on T2S Securities account numbering. April- May 2013.	
T2S accounts numbering	16. Dedicated cash account numbering	Not compliant	G	Straight forward to implement	Testing readiness achieved	01/02/2017	National bank of Slovakia	Info source: HSG survey on T2S DCA numbering. April- May 2013. NCB plans full compliance. Dates are provided.	
Priority 2									
Activity	Sub-activity	Compliance	Status	Type of Implementation Gap	Implementation Plan/Date		Implementation Actor(s)	Further Comments	
					Ready for T2S testing	Implementation Plan/Date			
18. Corporate actions	CA market standards (68)	n/a	R - no info	Not available	01/11/2015	01/02/2017	CCDP	Info source: BSG-E-NUG Survey (Jan 2014). T2S team received no info from CBES on Slovakia results. Apparently the CBES has completed the necessary gathering, the testing and full implementation of the standards	
23. Securities amount static data		Not compliant, yet	G	Market practice change/ Technical change/ legislative change	15/06/2015	01/02/2017	CCDP	Info source: T2S NUGs inputs. Legislative change has already taken place.	

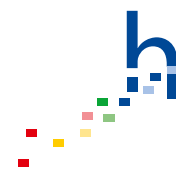
## Annex 5: List of members of the T2S Advisory Group

The T2S Advisory Group (AG) provides advice to the Eurosystem on T2S-related issues, to ensure that T2S is developed and implemented according to market needs. To this end, the AG is made up of representatives from all stakeholders, i.e. participating CSDs, banks and national central banks. In particular, the AG addresses T2S issues related to policy, pricing, governance and harmonisation in the field of securities settlement.

As far as harmonisation matters are concerned, the AG is supported by the Harmonisation Steering Group.

The AG's mandate is available on the T2S website. The group's meeting documents can also be downloaded from the website. The list of members is below.

Institution	Name
<b>Chair and Secretariat</b>	
European Central Bank	Marc Bayle (Chairperson)
European Central Bank	Meike Ströter (Secretary)
<b>User members</b>	
Banco Santander	Amadeo Lázaro Fernández
Unicredit Bank Austria AG	Guenther Schnaitt
Bank of America Merrill Lynch	John Whelan
BBVA	Fernando García Rojo
BNP Paribas	Alain Pochet
BNY Mellon	James Cunningham
CACEIS	Eric Derobert
CECA	José-Luis Rebollo Palomero
Citi	Richard Scavetta
Commerzbank	Roland Kipper
Danske Bank	Tom S. Jensen
Deutsche Bank	Stephen Lomas
Deutsche Wertpapier Service Bank	Mark Hossdorf
Eurex Clearing	Marcus Zickwolff
EuroCCP	Albert-Jan Huizing
Goldman Sachs	Isabelle Hennebelle
ICBPI	Paolo Callegaro
ING	Antoine Vonk
Intesa Sanpaolo	Mario-Domenico Recchia
JP Morgan	Diana Dijmarescu
Nordea	Marianne Sørensen
Danske Bank	Päivi Nyrhilä
Société Générale	Eric de Gay de Nexon
Swedbank AS	Elo Tempel
UBS	Florentin Soliva



<b>CSDs</b>	
AS Eesti Väärtpaberikeskus (Estonia)	Kristi Sisa
Bank of Greece Securities Settlement System (BOGS)	Sofia Koussiadou
BNY Mellon CSD (Belgium)	Robert Head
Centrálny depozitár cenných papierov SR, a. s. (Slovakia)	Dagmar Kopuncová
Clearstream Banking AG (Germany)	Mathias Papenfuß Guido Wille Karla Amend
Depozitarul Central S.A. (Romania)	Silvia Buicanescu
Euroclear Belgium	Michael Shipton
Euroclear Finland Oy	Hanna Vainio
Euroclear France	Paul Symons
Euroclear Nederland	Philip Van Hassel
Iberclear – BME Group (Spain)	Jesús Benito
Interbolsa (Portugal)	Rui de Matos
KDD - Centralna klirinško depotna družba, d.d. (Slovenia)	Davor Pavic
Központi Elsámolóház és Értéktár Zrt. – KELER (Hungary)	György Dudás
Latvijas Centralais depozitārijs (Latvia)	Indars Aščuks
Lietuvos centrinis vertybinių popierių depozitoriumas (Lithuania)	Mindaugas Bakas
LuxCSD S.A. (Luxembourg)	Patrick Georg
Malta Stock Exchange	Eileen Muscat
Monte Titoli S.p.A. (Italy)	Mauro Dognini Paolo Cittadini
National Bank of Belgium Securities Settlement System (NBB-SSS)	Marc Lejoly
Oesterreichische Kontrollbank Aktiengesellschaft (Austria)	Georg Zinner
SIX SIS Ltd. (Switzerland)	Urs Wieland
VP LUX S.á.r.l. (Luxembourg)	Mogens Kruse
VP Securities A/S (Denmark)	Niels Olsens
<b>Central banks (Eurosystem)</b>	
European Central Bank	Alessandro Bonara
Nationale Bank van België / Banque Nationale de Belgique	Yvan Timmermans
Deutsche Bundesbank	Katharina Tobiasch
Eesti Pank	Mihkel Nõmmela
Central Bank of Ireland	John Geelon
Bank of Greece	Sofia Koussiadou
Banco de España	Jesus Lopez Pedruelo
Banque de France	Emanuelle Assouan
Banca d'Italia	Fabrizio Palmisani
Central Bank of Cyprus	George Nicolaou
Latvijas Banka	Egons Gailitis
Lietuvos bankas	Dainius Grikinis

Banque centrale du Luxembourg	Pierre Thissen
Central Bank of Malta	Sylvana Gatt
De Nederlandsche Bank	Annemarie Hondius
Oesterreichische Nationalbank	Hannes Hermanky
Banco de Portugal	Fernando Chau
Banka Slovenije	Simon Anko
Národná banka Slovenska	Peter Holicka
Suomen Pankki	Kirsi Ripatti
<b>Central Banks (non-Eurosystem)</b>	
Danmarks Nationalbank	Peter Restelli-Nielsen
<b>Observers</b>	
T2S Board	Pierre Beck Ron Berndsen Paul Bodart Maria Tereza Cavaco Kristian Kjeldsen Yvon Lucas Cristina Mastropasqua Joël Mérére Jochen Metzger Michalis Michalopoulos Michael Power Luis Miguel Rodriguez Caramelo
European Association of Co-operative Banks	Ilektra Zazoura
Association for Financial Markets in Europe	Stephen Burton
European Association of Clearing Houses	Christoph Hemon
European Banking Federation	Christophe Bonte
European Savings Bank Group	Norbert Bielefeld
Federation of European Securities Exchanges	Judith Hardt
European Securities and Markets Authority	Alina Dragomir
European Commission	Agata Malczewska Andrei Gurin
Eurosystem oversight function	Helmut Wacket
4CB	Siegfried Vonderau Lorenzo Giammò María Teresa Arraez Philippe Leblanc





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