

AGENDA

**SECOND MEETING OF THE ADVISORY GROUP ON MARKET
INFRASTRUCTURES FOR SECURITIES AND COLLATERAL (AMI-SeCo)**

4-5 July 2017

*On 4 July starting with lunch at 12.00 and meeting from 13.00 to 17.30
On 5 July from 9:30 until 17:30 CET*

First Day: MB C2.02

Second Day: Room C3.08/09

European Central Bank (Main Building)

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

0. Introductory remarks and approval of the agenda

The Chair will welcome the participants to the second meeting of the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) and ask for the approval of the agenda.

1. Update on Eurosystem market infrastructure projects

The ECB will provide an update on Eurosystem market infrastructure projects which are in an investigation phase.

2. AMI-SeCo post-trade harmonisation work

2.1 EU public authorities' initiatives on post-trade harmonisation

The European Commission and ESMA are invited to provide an update on the EU initiatives relevant for harmonisation agenda. Members are invited to take note and exchange of views regarding the work.

2.2 T2S schedule of the settlement day and calendar

The extension of the currency coverage of T2S raised the need to clarify the compliance criteria of the harmonisation standard on the use of a single schedule for the T2S settlement day. The

HSG, with guidance from the Market Infrastructure Board, analysed the issue, the possible options with their pros and cons before suggesting a way forward. AMI SeCo members are invited to consider the HSG proposal and agree on the clarification for the application of the standard on the settlement day.

Documents:

- *Settlement day in T2S for settlement in non-euro*

2.3 LEI usage in T2S message fields

Following T2S market practice, when instructing T2S, CSD participants should complete the optional matching field “client of the CSD participant” according to a predetermined order priority whereby LEI is the preferred identifier if no BIC is available. On the basis of deliberations from the SMSG, SMPG and XMAP discussions on the topic, the HSG suggested a possible way forward on the usage of the LEI in such circumstances. AMI-SeCo members are invited to consider the HSG proposal and agree on the approach to follow with respect to this T2S market practice.

Documents:

- *LEI usage in T2S message fields*

2.4 Mid-year harmonisation update

Further to the seventh T2S Harmonisation Progress Report published in January 2017, AMI-SeCo has agreed to publish a mid-year update complementing this report with a focus on ex-post compliance of the markets that migrated to T2S on 6 February 2017 as well as on those migrating on 18 September 2017. AMI SeCo members are invited to consider the draft mid-year harmonisation update prepared by the HSG and endorse its publication in September 2017, before the launch of the last migration wave.

Documents:

- *T2S Harmonisation mid-year update*
- *Annex 2 to mid-year update*

2.5 Restriction Rules Catalogue

The chairman of Cross-border Market Practices sub-group (XMAP) will present the initiatives taken by the XMAP in order to measure the evolution of cross-CSD settlement activity in T2S as well an updated version of the Restriction Rules Catalogue (version 1.1), including a proposal for updating the current methodology. Members are invited to take note of the XMAP work to measure the evolution of cross-CSD settlement and to approve version 1.1 of the Restrictions Rules Catalogue and updated methodology.

Documents:

- *Catalogue of CSDs' restriction rules and their cross-border impact assessment (v1.1)*
- *Updated methodology*

2.6 Potential impact of DLTs on post-trade

Following the mandate it received, the HSG – with the support of a dedicated Task Force – prepared a draft report analysing the potential impact of DLTs on post-trade and on the wider EU financial market integration. AMI-SeCo members are invited to discuss the findings of the report in view of its possible publication and consider possible next steps.

Documents:

- *Report on the potential impact of DLTs on post-trade and on the wider EU financial market integration*
- *Cover Note on the DLT Report*

2.7 Collateral Management Harmonisation

In their first meeting, AMI-SeCo members discussed the possible scope and methodology for collateral management harmonisation and invited the HSG to aim to present a first draft of the collateral management harmonisation activities by July. The HSG prepared a proposal, including possible next steps and organisation of the work. AMI-SeCo members are invited to discuss the HSG proposal and agree on the suggested activities and organisation.

Documents:

- *Proposal for collateral management harmonisation activities of AMI-SeCo*

3. Eurosystem deliberations on taking collateral in Eurosystem credit operations

As a follow-up to the first AMI-SeCo meeting a dedicated workshop on Eurosystem deliberations on taking collateral in T2S was organised on 11 May 2017. As a follow-up to the workshop:

- a written questionnaire was circulated to AMI-SeCo members with concrete questions related to the potential new Eurosystem policy to take marketable collateral in T2S. The ECB will present a summary of the replies received and invite AMI-SeCo members to express their views.
- the Eurosystem continued its discussions with the two ICSDs on the potential solutions for the realignment of Eurobonds. The two ICSDs will present a solution to AMI SeCo members.

Documents:

- *Summary of feedback to AMI-SeCo questionnaire on potential new Eurosystem policy to take marketable collateral in T2S*

- *ICSDs suggested solutions for realignment of Eurobonds*

4. Impact of ECMS on market participants

The Eurosystem launched an investigation phase for ECMS. On the basis of a presentation from the ECB, members will be invited to have a first exchange of views on the impact of ECMS for market participants.

Documents:

- *ECB presentation*

5. T2S

5.1 Future of RTGS services

The Eurosystem launched an investigation phase for the future RTGS service in the context of the T2-T2S consolidation. The AMI-SeCo members will be informed about the benefits, status of the project and the potential impact of the T2-T2S consolidation on the T2S URD.

Documents:

- *ECB presentation*

5.2 T2S Operations

The AMI-SeCo will receive an update on the latest developments of T2S in operations. In addition the Eurosystem will provide a debriefing on relevant activities of the Operations Managers Group (OMG). The OMG is composed of operations experts from the CSDs, the European Central Bank, national central banks (NCBs) of the Eurosystem, non-euro area NCBs and the 4CB (Banque de France, Banca d'Italia, Banco de España and Deutsche Bundesbank).

Documents:

- *T2S Operations Reports – May 2017*

5.3 T2S Programme Status

5.3.1 T2S Programme status – reporting by the Eurosystem

The ECB and 4CB will provide a summary of the project status.

Document:

- *T2S Programme - status as at June-2017*

5.3.2 T2S Programme status – reporting by CSDs

The CSDs not migrated to T2S will be invited to provide an update on the status of their readiness to migrate to T2S.

Document:

- *Readiness report final wave*

5.4 T2S governance - reporting and debriefing

5.4.1 Market Infrastructure Board

The Chairman of the MIB in T2S composition will report on the relevant MIB Board topics discussed during the latest meetings.

5.4.2 CSD Steering Group (CSG)

The CSG Chairman will report on the outcome of recent CSG meetings.

5.4.3 Change Review Group (CRG)

The T2S Programme Office (PO) will provide a report on the activities of the CRG and an overview of the status of the change requests that have been approved or have arisen since the last AMI-SeCo meeting.

Document:

- *Status update on CRG activities*

5.4.4 Directly Connected Parties (DCPs) Group

The DCPG Chairperson will update AMI-SeCo on the latest DCPG meeting outcome.

5.4.5 CSDR Taskforce

The Chairman of the CSDR-TF will provide an update on the activities of the CSDR-TF.

6. Updated mandate of national stakeholders group

In their first meeting, AMI-SeCo members supported that the broader scope of the work of AMI-SeCo on collateral management (compared to the previous T2S AG) should be taken into account

by the NUGs and possibly included in their mandate. AMI-SeCo members are invited to agree on the new mandate of the national stakeholders group.

Document:

- *Draft mandate of the national stakeholders group*

7. Any other business

Next meetings

7-8 December 2017 AMI-SeCo (incl. joint meeting with AMI-Pay)