



EUROPEAN CENTRAL BANK

EUROSYSTEM

Update on post-trade harmonisation

Joint AMI-SeCo / AMI-Pay meeting,
item 6

20 November 2018

Main findings of the 9th Harmonisation report

- Further progress identified in the 9th (milestone) HPR in T2S markets' compliance with T2S harmonisation standards
- Overall, 85 % compliance ratio has been maintained since last report with improvements in individual cases and standards.
- Key area of non-compliance continues to be T2S corporate action standards but improving degree of compliance at individual markets level
- Existing non-compliance cases continue to be closely monitored by the AMI-SeCo

Key developments in post-trade harmonisation

Significant developments in the definition of standards in the fields of

- **withholding tax:** EC issued WHT code of conduct in 2017 – first meeting with Member States took place in June 2018
- **conflicts of laws:** EC issued communication on interpretation of existing conflict of law rules
- **settlement discipline:** CSDR settlement discipline package finalised and adopted in September 2018

Compliance by T2S markets and standards

| T2S markets | Priority 1 | | | | | | | | | | | | | | | Priority 2 | |
|------------------|-----------------------------------|--------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------------------------------------|--------------------------|------------------------------------------|---------------------------------------|----------------------------------------|-----------------------------------------------------|---------------------------|--------------------------------------------------|--------------------------------------------------|---------------------------------------|---------------------------------|-----------------------------------------|------------------------------------|
| | 1 T2S messages ISO 20022 | 2 T2S matching fields | 3 Interaction with T2S (registration) | 4 Interaction with T2S (tax procedure) | 5 Schedule for the settlement day | 6 T2S CA standards | 7 T2S settleme nt finality I | 8 T2S settlement finality II | 9 T2S settlement finality III | 10 Outsourcing IT (settlement) services | 12 Settlement cycle | 13 Availabilit y of omnibus accounts | 14 Restriction s on omnibus accounts | 15 Securities account number | 16 Cash account number | 18 CA market standards (CAJWG) | 23 Securities amount data |
| AT | B | B | B | B | Blank | R-? | B | B | B | B | B | B | B | B | B | G | B |
| BE Euroclear | B | B | B | B | Blank | R-? | B | B | B | B | B | B | B | B | B | G | B |
| BE – NBB- SSS | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | G | B |
| CH | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | N/A | G | B |
| DE | B | B | B | B | Blank | R-? | B | B | B | B | B | B | B | B | B | R-No info | B |
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| IT | B | B | B | R-? | Blank | B | B | B | B | B | B | B | B | B | B | G | B |
| LT | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | G | B |
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| LV | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | G | B |
| MT | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | G | B |
| NL | B | B | B | B | Blank | R-? | B | B | B | B | B | B | B | B | B | G | B |
| PT | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | R-No info | B |
| RO | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | G | B |
| SI | B | B | B | B | Blank | B | B | B | B | B | B | B | B | B | B | B | B |
| SK (CDCP) | B | R-Mar 2019 | B | B | Blank | R-? | B | B | B | B | B | B | B | B | B | R-No info | B |
| SK (NCDCP) | B | R-Mar 2019 | B | B | Blank | R-? | B | B | B | B | B | B | B | B | B | R-No info | B |

Adapting the harmonisation framework

- The AMI-SeCo is adapting its harmonisation monitoring framework to take into account the new era reached by completing T2S migration:
 - Streamlined reporting
 - Reactive monitoring on already blue standards
 - Preserving well-established methodology
- Key new harmonisation activity - **collateral management** harmonisation (fitting into new framework):
 - Harmonisation proposals already adopted on corporate actions and tri-party collateral management
 - Work continues in other coll. man. areas (e.g. equities, non-euro collateral)
 - Objective: single rulebook for post-trade coll. man. processes