

Near-term focus and priorities for the AMI-SeCo Securities Group (SEG)

1. Background

In the context of the discussions to review its functioning and governance the Eurosystem’s Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) agreed to set up the Securities Group (SEG) to replace the Harmonisation Steering Group (HSG) and as one of the three substructures supporting the AMI-SeCo in post-trade integration and harmonisation discussions.

To recall, the mandate of the SEG¹ sets out the tasks of the group by referring to, inter alia and in addition to maintaining and monitoring the T2S harmonisation standards, to “*present harmonisation and integration proposals or advice to the AMI-SeCo on any matters affecting securities clearing and settlement or securities post-trade services*”. The AMI-SeCo will rely on the SEG also “...to assess key financial market integration developments and policy issues with a view to any remaining barriers to market integration in AMI-SeCo markets” as well as “...to advise the AMI-SeCo when communicating key harmonisation policy issues to the relevant EU authorities”.

This note introduces a set of topics for further potential input and guidance by AMI-SeCo members. As the SEG has just been formed, more time should be given to SEG members to refine and finalise the SEG work programme and priorities. Furthermore, the outcome of the proposed survey among AMI-SeCo members and NSGs on the remaining barriers to post-trade integration in H2 2023 should also inform and can influence the work programme of the SEG. Due to the limited resources of AMI-SeCo members, SEG members and the ECB, priorities will need to be clearly defined.

2. Potential near-term topics to be covered by the SEG

#	Topic / issue	Time horizon	Remark / priority / urgency ²
1	Maintaining and monitoring T2S harmonisation standards (T2S Harmonisation Progress Reports, onboarding markets)	H2 2023	High, according to regular T2S HPR cycles (NSG survey from July to September each year, report by December each year)

¹ Darwin: <https://darwin.escb.eu/livelink/livelink/app/nodes/1739757315>

ASTRA: <https://astra.ecb.europa.eu/pdfs/web/viewer.html?file=2351503467375237954&enforcedFindFile=true&properties=true>

² A medium priority does not mean that the topic is not important but that it is not necessarily time-critical or there is more flexibility on when and how the SEG could address the topic

2	Preparing and executing AMI-SeCo survey on remaining barriers to post-trade integration	One-off, H2 2023	High
3	Withholding tax – analysis / advise on AMI-SeCo views on upcoming EC proposal on WHT procedures	After publication of EC's proposal (June / July 2023)	High
4	Message customisation and common AMI-SeCo schema for broader use of ISO20022 settlement messages	H2 2023 – H1 2025	High
5	T+1 settlement of cash securities transactions in Europe	H2 2023 / H1 2024	Medium, the topic is being analysed by the industry with the lead by AFME, ICMA and other industry organisation. The SEG can have a role in advising the AMI-SeCo's position on the matter in light of the outcome of the industry work
6	Portfolio transfers	tbd	Medium
7	Registration frameworks	tbd	Medium
8	Impact of UK's post-Brexit reforms on European post-trade integration	tbd	Medium
9	Potential end-to-end enhancements to cross-CSD settlement	tbd	Medium

When considering the above topics for the SEG to work on it is important to note that some of these topics are transversal and will be potentially relevant also for the CEG and the CMG (e.g. impact of WHT proposal). Furthermore, it was noted that these topics and the SEG's work in general may also constitute a contribution / input to the general discussions on settlement efficiency within the T2S and AMI-SeCo community.

3. Next steps

AMI-SeCo members are invited to provide initial feedback on the proposed near-term topics to be covered by the SEG. Based on this feedback, the SEG will refine and finalise its work programme for the period 2023 – 2025.