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Status update on the work of the CSDR Task Force

Ami-Seco Meeting

Frankfurt, 2th of July 2019

T2S penalty mechanism

Implementation status

- CR654 implementation work is on track.
- A stable baseline version of the new cash penalty messages semt.044 as well as flat file specifications will be shared by 4CB by beginning of July 2019.

Functional Changes

- CR715 was raised for fast-track procedure and authorised for Release 4.2 in order to bring two enhancements to the T2S penalty mechanism:
 - Provide one more day to CSDs to request modifications or removal of existing cash penalties to T2S prior to the generation of the monthly report;
 - Reduce the volume of cash penalties reports by not reporting cash penalties 'Not Computed' as the ISIN is not in scope of the cash penalty regime;
- CR717 is raised for "normal" procedure and aims at facilitating the exemption of cash penalties of settlement instructions in case of partially successful buy-in. It is not deemed mandatory by the CSDR TF for the initial implementation of the T2S penalty mechanism. It will be first discussed in the July CRG.

Regulatory developments

- Regulators should provide official news on the postponement of the entry into force of the settlement discipline regime provisions until (at least) the implementation of the T2S penalty mechanism by Q3 / Q4 2019.
- Guidelines on CSDR settlement fails reporting are still being discussed by Regulators. Publication of the guidelines are not to be expected before Q3 / Q4 2019.