



4 October 2016

SUMMARY OF THE 16th MEETING OF THE T2S DCP GROUP

*Held at the European Central Bank, meeting room C3.08/09, Sonnemannstraße 20,
60314 Frankfurt am Main*

0. Welcome and approval of the agenda

Mr Topa (Chairperson) welcomed the participants and the participants approved the agenda for the meeting.

1. Review and update of recent issues

1.1 DCP consolidated list

The members of the DCPG were informed that the DCP's consolidated list had not been updated since the last meeting, as there have been no new A2A DCP declarations, and were informed of the next deadlines to provide the list of U2A DCP declarations for the Final Wave (13 December 2016).

Mr Topa informed the DCPG that Iberclear will be extending the Final Wave A2A DCP declaration deadline until end of September 2016 and that they will be sending the declaration for two new DCPs.

1.2 Release 1.1.5

The DCPG members briefly discussed the successful deployment of release 1.1.5 during the last weekend of August 2016 and the successful migration of Wave 3 during the first weekend September 2016.

1.3 CRG update

Mr Del Campo (ECB) debriefed the DCPG members on the outcome of the CRG discussions and CRG presentation during the CSG earlier that day. The CSG approved the 17 change requests (CRs) for release 1.3. The list of CRs can be found in the presentation provided via e-mail with the meeting agenda dated 19 September 2016. The presentation also includes the CRs that were withdrawn and those that have been deferred for future releases.

Ms Birkel (ECB) debriefed the DCPG members on the CRG's request to consult the DCPs on a list of selected CRs that are deemed to be particularly relevant for DCPs/DCAHs. She also provided an

explanation of the documentation that will be sent within the consultation package to the DCPs. Apparently, there are some markets that are reviewing these CRs, but the CRG welcomes a comprehensive feedback from all DCPs. Upon which, Mr Topa asked the CSDs to take an active role in sharing this type of information with their communities, to ensure full coverage of all DCP/DCAH actors, including those that are not directly involved with the DCPG.

1.4 Missing settled Settlement Instructions (SI) from statement of transactions at DVP cut-off

Ms Birkel informed the DCPG members concerning the issue raised by the User Testing Sub Group to the CRG (INC 179344) whereby a CR will be raised (under UTSG topic UT-PBR-075). The functioning is that T2S makes a settlement attempt on the instructions received just before the DVP cut-off is at 16:00, meaning that some transactions may settle after 16:00. However the reports which were subscribed to at the DVP cut-off event do not include settlement instructions settled slightly after the DVP cut-off and this may then cause problems for reconciliation. The functionality is also important for the CSD Regulation (in particular for the settlement penalty on failed instructions) it would also be necessary to await the settlement attempt after the DVP-cut off. 4CB will raise a change request to implement new events for the end of intraday cut-offs. The CR is considered as a priority and should be deployed with the CRs in the next release.

1.5 CSDR Taskforce

Mr Al Shinati (ECB) informed the DCPG members of the CSDR activities concerning T2S; an indication of the revised estimates for final legislative approval of the RTS standards was provided. For the RTS on CSD Requirements, estimation was Q4 2016, while for the RTS on Settlement Discipline, it would range from Q1 to Q4 2017. The CSDR TF is currently focussing the discussions on the settlement penalty mechanism and grouping its working assumptions into a consolidated document. This document will serve as input for user requirements. The CSDR TF will slow down the pace of its meetings, waiting for clarifications by Regulators, and will resume them once such clarifications have been received.

1.6 XMAP update

Mr Terol, informed the DCPG members of the upcoming XMAP will be held in mid-October 2016.

The key points that will be covered in the meeting in October will be:

- New version of XMAP Catalogue, which will aim at including CSDs from the final Wave.
- Discussion on portfolio transfers, inter alia the compliance of the EWGPT proposal with T2S Standard 4 on passing tax information through T2S messages.
- Impact of the ISO20022 2016 Release on the market practice “Client of CSD participant” and possible solutions.

Mr Terol also gave a debriefing of the Board discussion on the possibility of a “technical” CSD to mitigate the segregations requirements at Investor CSDs for French registered securities. Mr Terol explained that the Board was not against, but was reluctant to fully recommend the solution because of the complexity of the legal setup.

2. Information from other T2S groups, CBs and CSDs

The DCPG members were invited to take note of the information provided in this section, originating from other T2S groups, CBs and CSDs activities on items that are also relevant for the DCPs.

2.1 Information from Central banks

The Central Bank representatives had no comments to share with the DCPG members.

2.2 Information from CSDs

2.2.1 Roles and procedures for DCPs handling operated accounts: harmonization across CSDs:

Ms Amend (Clearstream) presented the DCPG members CBF's solution for DCP power of attorney setup in T2S. The presentation was included in the e-mail sent to the DCPG members on the 19 September 2016.

Mr Topa indicated that the concept should not only be available to CBF's clients, but should also be provided by all CSDs to their participants.

3. Open Issues Register

The DCPG members agreed to close two open issues, B.13 and B.15. The rest of the open issues are on-going and no new issues were reported by the DCPG members. The register will be updated and published on the ECB website.

4. Any Other Business

Mr Topa suggested that the DCP community should be directly and formally involved in the release management process for future releases in T2S, especially for releases following the end of the migration period. An appropriate format should be identified under the current governance structure (RMSG or OMG).

4.1 Future DCPG meetings (suggested dates with CSG)

The next physical meeting of the DCPG will take place in the margins of the AG meeting to be held on 29 November 2016.

Mr Topa proposed the following tentative dates for future DCPG meetings in the margins of the CSG meetings during 2017. He further mentioned that it is not clear yet if there will be future AG meetings in 2017.

- 28 February – 01 March (CSG - ECB)
- 25 April (CSG - ECB)
- 13-14 June (CSG - ECB)
- 20-21 September / 10-11 October (CSG - tbc)
- 22-23 November (CSG - ECB)