



EUROPEAN CENTRAL BANK

EUROSYSTEM

Ninth T2S Harmonisation Progress Report

Advisory Group on
Market Infrastructures for
Securities and Collateral
(AMI-SeCo)

Harmonisation.t2s.eu

17 October 2018

Contents

Foreword	2
Key messages	3
1 A look back – the achievements and benefits of T2S	5
1.1 Background of the T2S project	5
1.2 Direct impact of T2S and the T2S harmonisation agenda	5
1.3 Evidence of T2S benefits and stronger post-trade integration	11
2 Current status of T2S harmonisation	14
3 Looking forward – post-trade harmonisation monitoring in a new era	23
3.1 Key considerations in the review of the harmonisation monitoring framework	23
3.2 Elements of the AMI-SeCo's future post-trade harmonisation monitoring framework	25
Annex 1: T2S Harmonisation activities	28
A T2S harmonisation activities – priority 1	28
B T2S harmonisation activities – priority 2	42
Annex 2: Detailed monitoring information per T2S market	48
Annex 3: Impact assessment of non-compliance	94
Annex 4: Methodology	95

Foreword

A year has passed since most European central securities depositories (CSDs) completed their migration to T2S. Alongside the significant further steps we have taken towards a more harmonised European securities settlement landscape, this is a major milestone in the integration of the securities post-trade industry in Europe. Therefore, in addition to providing a regular update on progress in compliance with T2S harmonisation standards, this report also reflects on the achievements of T2S and the harmonisation work completed since the decision to develop and launch T2S was made.

T2S and the Central Securities Depositories Regulation (CSDR) provide a single technical infrastructure and a single legal framework, working towards the Single Market from an operational and a legal and perspective. While these are necessary elements for a true domestic post-trade market at European level, they are not enough on their own. We also need to harmonise ancillary processes and legal frameworks to reap the benefits of a fully integrated European market. The T2S harmonisation agenda was key to creating an integrated market and overcoming the Giovannini barriers¹. I am very grateful that the T2S Advisory Group and its successor, the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo), shared this vision for a better Europe and engaged in the T2S harmonisation work. This cooperative approach among all market players is unprecedented in Europe, and the substantial progress that we have made has only been possible due to the vision, dedication and commitment of the European post-trade industry.

We have achieved a lot but much still remains to be done. While most of the T2S harmonisation agenda has been successfully implemented, some elements, in particular in the area of corporate actions, remain incomplete. We will continue to focus on collateral management, an area where the AMI-SeCo has already made significant progress in harmonising the handling of corporate actions for collateral and tri-party collateral management processes. We will need to complete and implement this harmonisation agenda for collateral management, building on the current T2S harmonisation methodology while adapting it as necessary to reflect the new environment. I am fully confident that we will also be successful in this new area, and I know that I can count on the AMI-SeCo to share my vision of a true domestic post-trade market that contributes to building a stronger and better Europe.

Marc Bayle de Jessé, Chair of the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo)

¹ [First Giovannini report.](#)

Key messages

T2S and the T2S harmonisation agenda have made a significant contribution to dismantling the barriers to deeper financial integration in Europe. The launch of T2S as the single settlement platform used by 20 European markets brought about harmonisation in key business, technical and operational aspects of securities settlement. In addition, the T2S harmonisation agenda encompassed ancillary post-trade processes usually conducted via diverging national rules and practices. The achievements to date and the continuing work on harmonisation in these areas have contributed to completely dismantling or reducing several Giovannini barriers and have paved the way for further integration in the context of the capital markets union.

Market stakeholders have already been reaping the benefits of T2S in their day-to-day operations in several key areas. Based on feedback from T2S actors (CSDs, custodians, agent banks, issuers and end-investors), T2S has already had practical benefits, such as: (i) more efficient settlement systems and functionalities at CSDs, custodians or other market participants; (ii) the harmonisation of settlement-related processes managed by T2S actors; (iii) the consolidation of market participants' access to core infrastructures; (iv) euro liquidity management in central bank money; and (v) more efficient collateral management.

Progress has also been seen in individual T2S markets complying with T2S harmonisation standards, although this progress is showing signs of slowing. Overall, 85% of T2S markets comply with T2S harmonisation standards; this figure has not changed since the most recent (eighth) harmonisation progress report was published in January 2018. However, further progress has been made in some T2S markets in the area of compliance with T2S corporate actions, although this is still the area with the highest number of non-compliance cases. The pre-migration assessment of ID2S (the new French CSD), which is expected to join T2S in October 2018, shows a high level of compliance with T2S harmonisation standards. The AMI-SeCo continues to pay close attention to existing non-compliance cases and the plans to resolve them.

Significant further improvements were made in the definition of T2S standards in the fields of withholding tax, conflicts of laws and settlement discipline. This progress is due to the initiatives and secondary legislation adopted by the European Commission in these fields. The AMI-SeCo (on behalf of the whole T2S Community) welcomes the progress made and continues to actively follow and contribute to further harmonisation in these fields on the basis of these developments.

The AMI-SeCo is adapting its harmonisation monitoring framework for post-trade harmonisation to take into account the new era reached by completing T2S migration. With the adapted framework the AMI-SeCo will build on the existing achievements in T2S harmonisation, but also broaden the scope to include new harmonisation activities in the near future. The structured approach and methodology of the monitoring framework will be preserved, but certain elements will

be adapted as necessary. In particular, the AMI-SeCo does not wish to depart from the well-established overall structure and methodology of assessing progress in definition, monitoring or compliance by T2S markets (relying on traffic lights, regular reporting and continuous monitoring).

Collateral management harmonisation is a key new area of harmonisation activities. The AMI-SeCo has made significant progress in defining harmonisation proposals for collateral management, in particular in the fields of handling corporate actions in a collateral management context and tri-party collateral management services. The objective of this work is to establish a single rulebook for post-trade collateral management processes in the EU. Further progress on defining detailed harmonisation proposals and on compliance with the envisaged rulebook and harmonisation standards, as well as any related follow-up action, need to be monitored and regularly assessed by the AMI-SeCo.

1 A look back – the achievements and benefits of T2S

1.1 Background of the T2S project

The Eurosystem has a keen interest in the efficient functioning and integration of the European financial system, which is also enshrined in the Eurosystem's mission statement. Financial integration facilitates a balanced and smooth transmission of monetary policy and fosters financial stability. It is a key aspect in completing the Single Market and supports the Eurosystem's task of promoting well-functioning payment systems.²

When the T2S project was launched in 2008 the European financial system was still highly fragmented, despite the fact that the single currency had been in existence since 1999. Critical components of the financial system, such as securities settlement systems (SSSs), were bound by non-harmonised business, operational, technical, legal and regulatory national frameworks. Cross-border settlement was highly inefficient, complex and costly, which led to a less-efficient allocation of resources across European securities markets. This situation had serious consequences for the financial system, as highlighted in the Giovannini reports on EU settlement and clearing arrangements in 2001 and 2003.³

In this context, awareness became widespread of the importance of ensuring the interoperability of SSSs in Europe for facilitating cross-border investment flows and, ultimately, for a truly integrated financial market. The Giovannini reports identified 15 barriers to cross-border settlement and a number of ways to dismantle them. These reports were a milestone in European post-trade market integration and laid the foundations for the most ambitious integration project of the Eurosystem and the post-trade industry to date – TARGET2-Securities (T2S).

1.2 Direct impact of T2S and the T2S harmonisation agenda

The T2S project was launched in 2008. It aimed to foster further securities market integration in Europe and, thus, cross-border investment flows, by creating a single European securities settlement engine that could provide centralised delivery-versus-payment (DvP) settlement in central bank money. It also aimed to increase competition among providers of post-trade services and reduce the costs of cross-border securities settlement in Europe. This cost reduction can be passed on to investors, which will indirectly have a positive impact on the European economy. Furthermore, T2S enables investors to better manage diversified securities portfolios across Europe and provides issuers with easier access to a wider investor base.

² See the [ECB report on Financial integration in Europe](#), May 2018.

³ See, for example, the foreword of the [second Giovannini report](#).

Increased risk-sharing in the European economy results in increased financial stability which, to a certain extent, is also directly fostered by T2S as it makes it easier to manage and reduce counterparty and settlement agent risk in securities transactions.

The migration to T2S was completed in September 2017. Today, 21 CSDs covering 20 European markets settle on this single platform using the same settlement rules, with access to the same settlement functionalities (in particular, harmonised DvP settlement in central bank money) and following the same calendar and schedule for a business day.

The development of common functionalities for T2S made a substantial contribution to the harmonisation of key business, technical and operational procedures in the post-trade area in Europe. Some of the main elements harmonised by T2S include establishing common business rules for validating and matching settlement instructions, creating operational procedures for static and dynamic data maintenance, setting common rules for settlement finality, and producing key reference data for securities, accounts and parties.

However, from the very inception of T2S, the T2S Community acknowledged that this harmonisation alone would not be enough to reap the full benefits that the platform could bring to the European financial system. So it was also necessary to seek to harmonise and integrate ancillary post-trade processes that were usually conducted via diverging national rules and practices. The ECB acted as a catalyst by building on the commitment of market participants to adopt T2S and to also harmonise and integrate ancillary processes in the T2S markets. Market participants' commitment to integration, which ultimately benefits European citizens, was the foundation for the success of the T2S harmonisation agenda.

The three key objectives of T2S harmonisation are:

1. fostering the creation of a single rulebook for post-trade processes in the T2S Community;
2. protecting the "lean T2S" concept, i.e. excluding national specificities from the T2S operational blueprint;
3. contributing to financial integration in Europe.

The harmonisation agenda consists of 24 harmonisation activities; for 17 of these, harmonisation standards have been defined and are being monitored. Table 1 shows the progress made for each of these activities by comparing the assessments of the third T2S harmonisation progress report with the latest assessments presented in Section 4 of this report.

Table 1**Status dashboard for the T2S harmonisation activities**

(as at 23 February 2013 and at 20 July 2018)

Priority 1 activities		Third progress report (28 February 2013)			This milestone report (20 July 2018)			
		Definition	Monitor	Compliance	Definition	Monitor	Compliance ¹	
1	T2S messages	T2S ISO 20022 messages	G	G	G	G	G	B
2		T2S matching fields	G	G	Y	G	G	R (3)
3		Interaction for registration	G	Y	X	G	G	B
4		Interaction for tax info	G	Y	X	G	G	R (1)
5	Schedule of settlement day/calendar ²		G	G	Y	G	G	N.A.
6	T2S corporate actions standards		G	G	R	G	G	R (9)
7	Legal harmonisation	Settlement finality I (moment of entry)	Y	X	X	G	G	B
8		Settlement finality II (irrevocability of transfer order)	G	G	G	G	G	B
9		Settlement finality III (irrevocability of transfer)	G	G	G	G	G	B
10		Outsourcing IT services	R	X	X	G	G	B
11	Settlement discipline regime		R	X	X	G	X	X
12	Settlement cycles		R	X	X	G	G	B
13	CDS account structures	Availability of omnibus accounts	G	G	B	G	G	B
14		Restriction of omnibus accounts	G	G	G	G	G	R (1)
15	T2S account numbering	Securities accounts numbering	G	Y	X	G	G	B
16		Dedicated cash accounts numbering	G	Y	X	G	G	B
Priority 2 activities		Definition	Monitor	Compliance	Definition	Monitor	Compliance	
17	Legal harmonisation	Location of securities account/conflicts of law	R	X	X	G	X	X
18	Corporate actions market standards	CA market (CAJWG) standards	G	G	R	G	G	G
19	Place of issuance		R	X	X	G	X	X
20	Tax procedures	Withholding tax procedures	Y	X	X	Y	X	X
21	Shareholder transparency – registration		Y	X	X	R	X	X
22	Market access		R	X	X	G	X	X
23	Securities amount data		G	G	G	G	G	R (1)
24	Portfolio transfers					Y	X	X

Notes: (1) number of non-compliant markets; (2) Not assessed in 2018 but expected to be fully compliant (blue) as of 2019 based on the decision by the MIB to keep T2S open whenever any of the T2S settlement currency RTGS systems are open (markets are fully compliant with the T2S settlement day schedule, but full compliance with the T2S calendar by 2019 is yet to be confirmed).

Overall, today there is almost full compliance and harmonisation with core T2S standards (priority 1) across the 20 T2S markets. Significant progress has also been made with other activities related to post-trade services (priority 2). The key area where further progress still needs to be made is the processing of corporate actions, where standards have been defined but compliance by individual markets is lagging behind (see Section 4 of this report on the current status of harmonisation). It should

be noted that even if a standard is marked red in the table it does not mean that no progress has been made. The red status is linked to the monitoring methodology – only blue and red statuses apply to markets once they have migrated (green and yellow reflected future implementation plans from before the migration, which has since been completed), and blue can only be allocated if there is full compliance. For instance, while the T2S corporate actions standards activity remains red for nine markets, the overall compliance level with individual T2S corporate actions standards increased from 23% in 2013 to 89% in 2018, as measured by the gap analysis conducted by the T2S Harmonisation Steering Group's (HSG) corporate action sub-group (CASG).

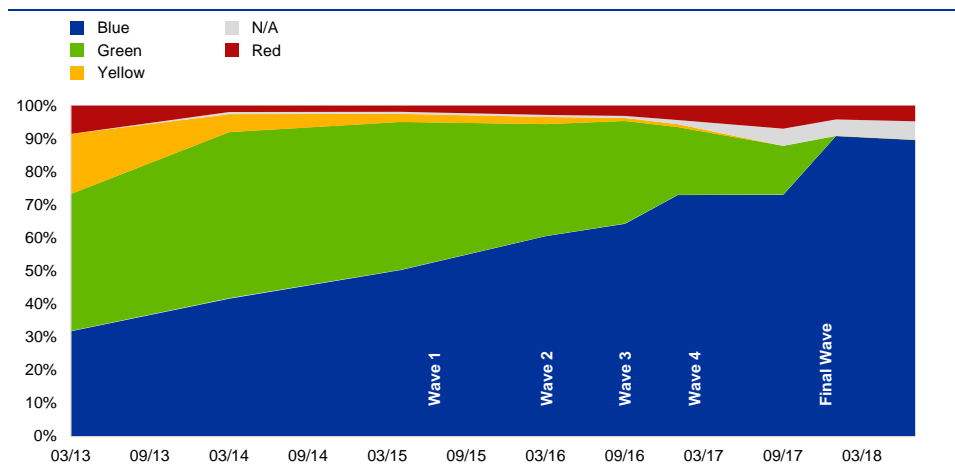
There are instances of compliance deteriorating since monitoring started. One of these concerns T2S matching fields (standard 2), where one market (Spain) the use of the T2S matching field "client of the CSD participant" in order to handle end-investor information for intra-CSD equities transactions represents a non-compliant practice. Another example is the restriction of omnibus accounts (standard 14), where one T2S market (France) still has restrictions on the use of omnibus accounts after migrating to T2S and has been assigned a red compliance status. In this market, resolving the issues requires regulatory and/or legal changes. The AMI-SeCo continues to monitor and – where relevant – discuss these and other existing non-compliance cases (see section 4 for further details).

For the activities where no specific T2S harmonisation standards have been defined, the AMI-SeCo has highlighted the need for further progress on legal harmonisation, withholding tax processing and cross-border shareholder registration. Major initiatives in these areas have recently been announced and/or implemented by the relevant EU or national public authorities.

More than seven years after the first T2S harmonisation progress report was published, the AMI-SeCo harmonisation methodology has proven very effective in driving T2S markets towards full compliance with the T2S standards. Chart 1 shows that the level of compliance has increased significantly – as of July 2018, the monitored T2S markets had an overall compliance rate of 85% for the 17 T2S harmonisation standards, compared with 34% in 2013.

Chart 1

Evolution of the overall level of compliance with priority 1 T2S Harmonisation Standards



The launch of T2S and the implementation of the T2S harmonisation agenda directly dismantled or contributed to dismantling at least ten of the original 15 Giovannini barriers that were identified in 2003, as shown in Table 2.

The achievements of the T2S Community and its harmonisation agenda have been widely recognised and were recently praised by the European Post-Trade Forum (EPTF) in the report of published in 2017⁴. The EPTF was set by the European Commission as an expert group to support the work of the Commission to review the developments in post-trading in the context of the Capital Markets Union (CMU) initiative. As per its mandate, the EPTF undertook a broader review on the progress in removing Giovannini barriers to cross-border clearing and settlement, following the implementation of recent legislation and market infrastructures such as T2S. The EPTF noted the significant progress in dismantling the original Giovannini barriers but concluded that some of them still existed, while it also identified new barriers (see Table 2 for the list of regrouped barriers with a new numbering as presented in the EPTF report).

The harmonisation achieved so far in post-trade services in Europe has created a basis for greater interoperability between all actors in the custody chain. The increased interoperability provided by T2S enables banks and custodians to access settlement services in Europe via a single access point, increasing competition in the post-trade area.

⁴ See the [EPTF report dated 15 May 2017](#).

Table 2

Contribution of T2S and its harmonisation agenda to dismantling or reducing Giovannini barriers

Giovannini barrier number	Giovannini barrier title	EPTF barrier number	EPTF barrier title	EPTF assessment/treatment	T2S contribution
I. Barriers related to technical requirements/market practice					
GB 1	National differences in information technology and interfaces	EPTF 2	Lack of convergence and harmonisation in information messaging standards		Direct – T2S relies on standard ISO 20022 messaging and provides a single user interface to CSDs, NCBs and directly connected parties (DCPs) which interact directly with T2S
GB 2	National clearing and settlement restrictions that require the use of multiple systems	n/a		Dismantled in T2S markets	Direct – T2S provides a single platform, eliminating the need to use multiple systems
GB 3	Differences in national rules relating to corporate actions, beneficial ownership and custody	EPTF 1	Fragmented corporate actions and general meeting processes		Direct – the T2S harmonisation agenda includes two harmonisation activities covering corporate actions
GB 4	Absence of intraday settlement finality	n/a		Dismantled in T2S markets	Direct – T2S provides a single and common set of rules on intraday settlement finality
GB 5	Practical impediments to remote access to national clearing and settlement systems	n/a		Dismantled in T2S markets	Direct – as T2S is a single platform that is currently used by 20 European markets, it eliminates all such practical impediments
GB 6	National differences in settlement periods	n/a		Dismantled in all EU markets	Indirect – T2S Community made a significant contribution to the EU-wide coordination efforts before migration to T+2 settlement
GB 7	National differences in operating hours/settlement deadlines	n/a		Dismantled in T2S markets	Direct – T2S relies on a single settlement calendar and one set of operating hours
GB 8	National differences in securities issuance practice	EPTF 7	Unresolved issues regarding reference data and standardised identifiers	Merged with GB 9	Indirect – T2S harmonises elements (flows) related to securities issuance
GB 9	National restrictions on the location of securities			Merged with GB 8	Indirect – T2S alleviates the need for such restrictions at the technical level
GB 10	National restrictions on the activity of primary dealers and market makers	EPTF WL1	National restrictions on the activity of primary dealers and market-makers		Indirect – T2S eliminates the need for such restrictions at the technical level
II. Barriers related to taxation					
GB 11	Domestic withholding tax regulations serving to disadvantage foreign intermediaries	EPTF 12	Inefficient withholding tax collection procedures		Indirect – T2S corporate actions standards (CASG and CAJWG) provide a good basis for harmonising withholding tax procedures (see also T2S-AG and AML-SeCo views on these procedures)
GB 12	Transaction taxes collected through a functionality integrated into a local settlement system	EPTF WL5	Non-harmonised procedures to collect transaction taxes		–

Giovannini barrier number	Giovannini barrier title	EPTF barrier number	EPTF barrier title	EPTF assessment/treatment	T2S contribution
III. Barriers relating to legal certainty					
GB 13	The absence of an EU-wide framework for the treatment of interests in securities	EPTF 9	Deficiencies in the protection of client assets as a result of the fragmented EU legal framework for book entry securities		–
GB 14	National differences in the legal treatment of bilateral netting for financial transactions	EPTF 8	Uncertainty as to the legal soundness of risk mitigation techniques used by intermediaries and of CCPs' default management procedures		–
GB 15	Uneven application of national conflict of law rules	EPTF 11	Legal uncertainty as to ownership rights in book entry securities and third-party effects of assignment of claims		–

Note: For more information, see the [ECB's website](#).

1.3 Evidence of T2S benefits and stronger post-trade integration

Notwithstanding the above achievements, whether T2S and its harmonisation agenda contribute to further European post-trade integration depends to a large extent on how T2S actors and market participants make use of the platform and the more harmonised environment. Only one year has passed since the completion of T2S migration, and the bulk of the opportunities provided by the single platform and the increased harmonisation may not yet have been exploited. Nevertheless, according to market participants' feedback, the following areas have benefited the most from T2S thus far:

- More efficient settlement systems with harmonised and improved functionalities.** The most obvious benefit is that T2S actors are now making use of the state-of-the-art settlement services provided by T2S on the basis of ISO 20022 messaging across all T2S markets in which they are active, in a low-risk technological environment. CSDs and other actors in the custody chain have adapted, resulting in new and improved systems that offer harmonised functionalities based on the T2S design. T2S harmonisation activities, for instance concerning T2S ISO 20022 messages, matching fields and CSD account structures, were also essential to this achievement.
- Harmonisation of settlement-related processes across markets by T2S actors** (custodians, CSDs, agent banks and buy-side market participants). For these actors, the number of different sets of settlement rules and procedures (and, in many cases, even the number of messaging standards) they had to support was reduced from one for each market they are active in to one single, harmonised rulebook. Internal operational processes have also improved considerably, with a significant reduction in operational risk. For instance, many manual processes have been dismantled. This directly benefits those parties with

a direct connection to CSDs and SSSs, and would not have been possible without implementing T2S harmonisation standards that excluded national specificities from the T2S operational blueprint, for example standards on the schedule of the settlement day and calendar, T2S messages, settlement cycles, account numbering and corporate actions.

- **Consolidating access to core infrastructures on both the securities and cash sides.** A significant number of actors in the custody chain have redesigned and consolidated their custody networks and the way they access core infrastructures for post-trade services. This network rationalisation is primarily an opportunity for global or internationally active custodians and (investor) CSDs, but actors further down the settlement chain can also indirectly benefit from a wider range of opportunities and stronger competition, such as legal harmonisation (e.g. settlement finality and outsourcing of IT services).
- **Euro liquidity management and access to central bank money settlement.** T2S not only harmonises the settlement of the cash leg of transactions, but also provides services such as: real-time access to central bank liquidity for settling securities transactions during the day; harmonised night-time settlement with technical netting; harmonised and state-of-the-art auto-collateralisation processes; and the ability to consolidate securities-related liquidity on a single dedicated cash account held at a national central bank across all euro markets. These kinds of functionalities were previously only available in a few selected markets. Reports from market participants indicate that, of the opportunities provided by T2S, these liquidity management services are the tools that they have made most use of. In particular, these features helped T2S actors (especially those active across several T2S markets) to significantly reduce the amount of euro liquidity they needed during the day to settle securities transactions.
- **Sourcing, pooling and managing collateral for both bilateral and tri-party collateral arrangements.** T2S has made it much easier to mobilise securities as collateral by technically interlinking all T2S SSSs. This is especially important for markets in secured financing transactions, such as repos and securities lending. T2S has also enabled tri-party collateral management service providers to consolidate their settlement procedures and make them much more efficient across markets, and has contributed to the further development of tri-party services, which no longer have to rely solely on settlement in the books of a single custodian or tri-party agent. Furthermore, T2S qualifies as a single settlement mechanism under the current Capital Requirements Regulation⁵ and International Financial Reporting Standards provisions. This allows the balance sheet netting of transactions to be settled through T2S, making it easier for banks, as principals to such transactions, to manage their balance sheets and regulatory capital requirements.

⁵ [Regulation \(EU\) No 575/2013](#) of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

Contrary to the expectations of some stakeholders, T2S has not yet resulted in a significant increase in the volume of cross-CSD settlement in Europe. Following the AMI-SeCo analysis of cross-CSD market activity in T2S⁶, this may be due to the following main reasons:

- The relatively short time period since the completion of T2S migration, and stakeholders' focus on first consolidating their domestic business by ensuring smooth migration and regulatory compliance with new or updated European regulatory requirements, in particular the CSDR, the recast Shareholder Rights Directive (SRD) and other legislative initiatives affecting the post-trade industry (e.g. the Markets in Financial Instruments Directive/Markets in Financial Instruments Regulation, the Securities Financing Transactions Regulation and other new reporting requirements).
- The fact that T2S facilitates cross-border access to securities in multiple ways, and direct cross-CSD settlement (via links between investor and issuer CSDs) is only one of them. Currently custodians use T2S to offer an enhanced service to their customers investing across borders. This increases competition to, and decreases the demand for, direct cross-CSD settlement. So while T2S does have a significant impact, so far it may have materialised differently to how many market participants may have expected. In this light, the T2S Community acknowledged that cross-CSD settlement volumes only partly reflect cross-border investment volumes and that, therefore, it cannot be concluded that cross-border investment volumes have not increased since T2S went live.

Some T2S participants have also noted that new Eurosystem initiatives, especially in the area of collateral management, may result in an increase of cross-CSD settlement volumes in T2S in the future.

To conclude, the contribution of T2S and its harmonisation agenda to further market integration in Europe is unquestionable. This achievement would not have been possible without the commitment of the entire T2S Community. Nevertheless, harmonisation is a continuous effort and, as mentioned, there are still areas where further harmonisation work is warranted in order to fully exploit the benefits of T2S, such as corporate actions or legal barriers (priority 2 activities) – see Section 4 on the current status of T2S harmonisation. Furthermore, the AMI-SeCo is committed to continuing to foster further market integration in Europe in other key post-trade areas beyond the initial T2S harmonisation agenda, such as collateral management. The AMI-SeCo is already investing effort in this area and will continue to do so in the future, in close cooperation with the community of stakeholders – see Section 5 on the future of the harmonisation monitoring framework.

⁶ See the [AMI-SeCo report of November 2017](#) on cross-CSD market activity in T2S.

2 Current status of T2S harmonisation

T2S harmonisation milestone report results

This T2S harmonisation milestone report follows the eighth T2S harmonisation progress report published by the AMI-SeCo in January 2018. This section focuses on the progress made after the final T2S migration wave and covers the period between December 2017 and July 2018. It also includes the pre-migration assessment of ID2S – a new CSD joining T2S in October 2018.

Table 1 shows the status of all T2S activities with regard to (i) whether a standard or rule has been defined, (ii) whether a monitoring process has been launched, and (iii) the aggregate compliance status of all T2S markets, as observed at the date of publication. More detailed information is provided below the table.

Definition process. Overall, 19 of the 24 T2S harmonisation standards have been defined thus far. Of the five activities still lacking a defined set of standards or rules, only one is a priority 1 activity⁷ – settlement discipline regime. Its definition status has improved from yellow to green since the final regulatory technical standards on settlement discipline (including buy-in rules at CSDs) were published in September 2018⁸, and it will enter into force 24 months after their publication, i.e. in September 2020⁹. All other CSDR level 2 implementing and regulatory technical standards have entered into force and apply as of March 2019 (transparency requirements on settlement internalisers), and have been or are being implemented by the relevant stakeholders.

For priority 2 activities, there have been two upgrades in the definition status for the tax procedures activity and for the location of securities accounts/conflict of laws activity, due to the progress made with the European Commission's initiatives in these fields.

⁷ See Section 2 – priority 1 activities are necessary to ensure efficient and safe cross-CSD settlement in T2S. The T2S Community should view the resolution and implementation of these activities as the top priority before the markets' migration to T2S.

⁸ See [Commission Delegated Regulation \(EU\) 2018/1229 of 25 May 2018 supplementing Regulation \(EU\) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline \(OJ 13.9.2018, L 230, p. 1\)](#).

⁹ The T2S Community is actively working on establishing a single common technical implementation of the CSDR's settlement discipline-related rules on T2S (see work of the CSDR task force of the CSD Steering Group).

Table 3

Status dashboard for the T2S harmonisation activities (as at 20 July 2018)

Priority 1 activities		Definition	Monitor	Compliance ¹	
1	T2S messages	T2S ISO 20022 messages	G	G	B
2		T2S matching fields	G	G	R (3)
3		Interaction for registration	G	G	B
4		Interaction for tax info	G	G	R (1)
5	Schedule of settlement day		G	G	Blank
6	T2S corporate actions standards		G	G	R (9)
7	Legal harmonisation	Settlement finality I (moment of entry)	G	G	B
8		Settlement finality II (irrevocability of transfer order)	G	G	B
9		Settlement finality III (irrevocability of transfer)	G	G	B
10		Outsourcing of IT services	G	G	B
11	Settlement discipline regime		G	X	X
12	Settlement cycles		G	G	B
13	CDS account structures	Availability of omnibus accounts	G	G	B
14		Restriction of omnibus accounts	G	G	R (1)
15	T2S account numbering	Securities accounts numbering	G	G	B
16		Dedicated cash accounts numbering	G	G	B
Priority 2 activities		Definition	Monitor	Compliance	
17	Legal harmonisation	Location of securities account/conflict of laws	G	X	X
18	Corporate actions market standards	CA market (CAJWG) standards	G	G	G ²
19	Place of issuance		G	X	X
20	Tax procedures	Withholding tax procedures	Y	X	X
21	Shareholder transparency/registration		R	X	X
22	Market access		G	X	X
23	Securities amount data		G	G	R (1)
24	Portfolio transfer		Y	X	X

Note: (1) number of non-compliant markets; (2) The AMI SeCo has agreed, as an exception to this rule, to maintain the green and yellow statuses for the priority 2 activity "corporate actions market standards". This is because the AMI SeCo substructures do not monitor the T2S markets directly for this standard, but instead follow a specific statistical compliance methodology based on the monitoring results it receives from the E MIG.

The definition status of the tax procedures activity has improved from red to yellow. The Commission adopted a code of conduct on withholding tax procedures¹⁰ in December 2017, setting out best practices to make withholding tax procedures more efficient and standardised. As a follow-up, the Commission has arranged a number of meetings with tax experts from Member States to take place in 2018, to discuss the

¹⁰ See the [Code of Conduct on Withholding Tax](#).

progress made in implementing the code. In this context, the AMI-SeCo made specific proposals to the Commission identifying areas of interest for further work on harmonising withholding tax procedures, and is prepared to provide further support to the Commission's initiatives in this field.

The definition status of the conflict of laws activity has improved from yellow to green. After a public consultation by the Commission on conflict of laws in 2017, in March 2018 it announced measures to further improve clarity and legal certainty. The Commission adopted a legislative proposal¹¹ on aspects related to the assignment of non-securitised claims, while for book-entry securities it has adopted a communication¹² to clarify its views on the interpretation of the existing EU acquis on conflicts of law.

The AMI-SeCo continues to assign a red definition status to one priority 2 activity – shareholder transparency/registration – despite the ongoing work in this area as part of the European Commission's CMU action plan.¹³ The recasting of the SRD was enacted in May 2017 and must be transposed into the national law of Member States by 10 June 2019, and the Commission published the implementing regulation on shareholder identification on 4 September 2018¹⁴. However, while the recasting improves the European framework for cross-border shareholder identification, it does not directly address registration requirements and does not in itself purport to harmonise registration procedures and practices across the EU.

In addition, the definition status of the priority 2 activities regarding market access and place of issuance remain green, following the entry into force of regulatory technical standards for the CSDR in March 2017.¹⁵

The definition status of the priority 2 portfolio transfers activity remains yellow, even though the AMI-SeCo is sponsoring ongoing work on portfolio transfers in T2S with the aim of creating a handbook that would present current local practices, and that would provide practical guidelines for cross-border transfers. The long-term goal is full harmonisation of procedures for portfolio transfers across T2S markets.

Monitoring process. All 20 T2S markets (22 CSDs), including the new French CSD, ID2S (which is expected to migrate to T2S in October 2018), are now monitored to assess their compliance with the harmonisation standards. There are well-established and agreed monitoring frameworks, deadlines and responsible actors for further action in each market. The number of activities that are currently monitored remains stable at 17.

¹¹ See [COM/2018/096 final](#).

¹² See [COM/2018/089 final](#).

¹³ See [COM/2016/601 final](#).

¹⁴ See [Commission Implementing Regulation \(EU\) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights](#) (OJ 4.9.2018, L 223, p. 1).

¹⁵ See [Commission Delegated Regulation \(EU\) 2017/392 of 11 November 2016 supplementing Regulation \(EU\) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards for authorisation, supervisory and operational requirements for central securities depositories](#) (OJ 10.3.2017, L 65, p. 48).

Compliance status. With T2S migration complete, according to the methodology (described in detail in Annex 1) only the blue (i.e. fully-compliant) and red (i.e. not fully-compliant) statuses are used to assess the overall compliance of T2S markets with the standards.

Priority 1 standards

- There are ten priority 1 harmonisation standards for which overall full compliance has been achieved by all T2S markets.
- For four priority 1 standards the aggregate level of compliance is assessed as red, since implementation gaps remain in at least one T2S market. On harmonisation standard 2 – T2S matching fields – no change is reported since the last harmonisation progress report, with three markets (Spain, Hungary and Slovakia) assessed as not compliant. The Slovakian market (CDCP and NDCP) is expected to be compliant by March 2019. In relation to standard 4 – interaction with T2S (tax procedure) – one new non-compliance case (Italy) has been detected where tax info concerning portfolio transfers is transferred via T2S¹⁶. There are still a large number of non-compliance cases with standard 6 – T2S corporate actions standards – with only a few of the markets concerned having established firm target dates for compliance. Finally, no progress has been made in the French market to ensure full compliance with standard 14 – restriction on omnibus accounts.
- For one priority 1 standard (standard 5 – calendar and schedule of the settlement day) the AMI-SeCo and the Market Infrastructure Board (MIB) supported adapting the T2S calendar to close T2S if no T2S currency real-time gross settlement (RTGS) systems are open¹⁷. Therefore, compliance by T2S markets with the new T2S calendar standard is to be reassessed after the new T2S calendar is implemented in 2019.

Priority 2 standards

The aggregate level of compliance with standard 18 – corporate actions market standards – remains green¹⁸, in the absence of a new European Market Implementation Group (E-MIG) survey since the eighth T2S harmonisation progress report. One market (France) continues to be assessed as non-compliant with standard 23 – securities amount data.

¹⁶ Discussions are ongoing on further harmonisation in the field of portfolio transfers in T2S markets, which might result in adapting T2S standard 4 to allow tax information to be passed on with certain conditions. Therefore, the detected non-compliance may be resolved in the future by an agreement by the AMI-SeCo on the harmonised treatment of portfolio transfers. For further details, see the outcome of the June 2018 meeting of the AMI-SeCo.

¹⁷ Thus, T2S and all T2S markets are expected to be closed on Good Friday and Easter Monday as of 2019, after the Danish krone is introduced as a T2S settlement currency in October 2018.

¹⁸ See footnote 7 above on the special methodological approach to assessing standard 18.

Overall, no major changes in compliance with the standards have been reported, aside from the one aforementioned new non-compliance case with standard 4 – interaction with T2S (tax procedure). The key area of pronounced non-compliance is standard 6 – T2S corporate actions standards – where additional delays in the implementation plans to achieve full compliance by a number of T2S markets have been observed. The AMI-SeCo continues to pay particular attention to the remaining non-compliance cases and the plans to resolve them, and will ask the MIB to engage with the markets concerned on the follow-up, in line with the established framework as agreed by the T2S Community¹⁹.

Monitoring results for each T2S market

Table 4 provides detailed harmonisation compliance results for each T2S market²⁰, and Annex 3 provides further details.

¹⁹ See Annex 2 on the assessment of the impact of existing non-compliance cases.

²⁰ At the time of publication of this report, the Finnish market had not yet defined its target date for joining T2S.

Table 4

Compliance status for each T2S market (as at 20 July 2018)

T2S markets	Priority 1															Priority 2	
	1 T2S messages ISO 20022	2 T2S matching fields	3 Interaction with T2S (regis- tration)	4 Interaction with T2S (tax procedure)	5 Schedule for the settlement day	6 T2S CA standards	7 T2S settlement finality I	8 T2S settlement finality II	9 T2S settlement finality III	10 Outsourcing IT (settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions 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
DK	B	B	B	B	Blank	R-?	B	B	B	B	B	B	B	B	B	G	B
EE	B	B	B	B	Blank	B	B	B	B	B	B	B	B	B	B	G	B
ES	B	R-?	B	B	Blank	B	B	B	B	B	B	B	B	B	B	G	B
FI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FR	B	B	B	B	Blank	R-Dec 2018	B	B	B	B	B	B	R-?	B	B	G	R
GR – BOGS	B	B	B	B	Blank	B	B	B	B	B	B	B	B	B	B	B	B
HU	N/A	R-?	B	B	Blank	R-Dec 2020	B	B	B	B	B	B	B	B	N/A	R	B
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
LU – LUX CSD	B	B	B	B	Blank	R-Dec 2018	B	B	B	B	B	B	B	B	B	G	B
LU – VP LUX	B	B	B	B	Blank	B	B	B	B	B	B	B	B	B	B	G	B
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 (NCDP)	B	R-Mar 2019	B	B	Blank	R-?	B	B	B	B	B	B	B	B	B	R-No info	B

Table 4 shows the current compliance statuses for 20 national markets²¹; however, where more than one CSD exists in a given T2S market, each CSD “market segment” is monitored separately. For example, in the case of Belgium NBB-SSS and Euroclear Belgium are treated as two different “markets” or two market segments of a single national market. The AMI-SeCo focuses its analysis on T2S markets rather than specific T2S actors (CSDs etc.), since there is a common understanding that harmonisation compliance is a coordinated effort across the entire national market. This usually involves national market infrastructures, their clients and, where relevant, national authorities.

With regard to its methodology, the AMI-SeCo assesses all migrated T2S markets as either blue (full compliance achieved) or red (full compliance not yet achieved). The green and yellow statuses are only used for markets that have not yet migrated and therefore reflect these markets’ implementation plans.²² More details on the colour scheme methodology used by the AMI-SeCo are available in Annex 4.

- **85% of the total statuses are blue, the same level as reported in the eighth T2S harmonisation progress report.** This is the result of the combined effect of changes in compliance status in one market (see below) and the inclusion of the post-migration compliance status of the new Slovakian CSD, NCDPC, in the overall statistics (fully compliant with all but three monitored standards) following its migration to T2S after the final wave.
- **The number of non-compliance cases (red statuses) is 6%, compared with 5% in the last report.**²³ Compliance gaps in the area of T2S corporate actions standards remain, and several delays in the implementation plans of non-compliant markets were observed. Additionally, one new non-compliance case concerning standard 4 – interaction with T2S (tax procedure) – and the three non-compliance cases reported by the new Slovakian CSD (NCDP) are now included in the overall statistics. The AMI-SeCo provides the ECB’s MIB with regular assessments of the impact of the priority 1 standards compliance gaps on the rest of the T2S Community. As shown in Annex 3, the T2S Community considers this impact to be manageable. Nevertheless, the pronounced non-compliance gaps with the T2S corporate actions standards will require

²¹ The Finnish market is not assessed in this report due to the lack of a defined timeframe for migration to T2S.

VP Lux has announced that it will leave T2S as of January 2019, meaning that it will cease operations and stop providing services. Its services will be taken over by VP Denmark.

There is an on-going discussion within the AMI-SeCo community on different market practices on matching fields and potential solutions to solve the Spanish non-compliance case on the T2S harmonisation standard 2.

The compliance statuses on Standard 18 is based on the previous EMIG assessment from H2 of 2017, any progress made in the meantime is not reflected in the table as the next formal E-MIG assessment is expected to take place after the publication of this report..

²² Except in column 18 (corporate actions market standards), where the colour statuses reflect a stock-taking statistical compliance status, i.e. they are based on the percentage of the corporate actions (CAJWG) market standards that have been implemented in each T2S market. The European Market Implementation Group (E-MIG) is responsible for the monitoring process and provides the relevant statistics to the AMI-SeCo.

²³ There are also four statuses marked “N/A” (not applicable) in Table 2. These relate to instances where the local national central bank does not provide liquidity (standard on cash accounts) and to the non-applicability of ISO messages in one market (no application-to-application connectivity to T2S).

special attention in the near future from the AMI-SeCo and the T2S Community in general (see Table 5).

Table 5

Summary of compliance statistics for T2S markets (as at 20 July 2018)²⁴

	8th HPR (20 December 2018)			Milestone harmonisation report (20 July 2019)		
	Priority 1	Priority 2	% of total	Priority 1	Priority 2	% of total
Blue	292	23	85%	303	24	85%
Green	0	16	4%	0	16	4%
Yellow	0	0	0%	0	0	0%
Red	13	5	5%	16	6	6%
N/A	18	2	5%	19	2	5%
Total	323	46	100% (369)	338	48	100% (386)

²⁴ The total number of compliance statuses has increased from 369 to 386 due to the inclusion in the overall statistics of the post-migration compliance status of the new Slovakian CSD (NCDCP), in line with the harmonisation methodology.

The only status change of compliance between the eighth T2S harmonisation progress report and this report is the deterioration due to the case of non-compliance with standard 4 –interaction with T2S (tax procedure) in the Italian market.

Table 6

Compliance of FR (ID2S), expected to join T2S in October 2018 (monitoring status: 20 July 2018)

T2S markets	Priority 1															Priority 2	
	1 T2S messages ISO 20022	2 T2S matching fields	3 Interaction with T2S (regis- tration)	4 Interaction with T2S (tax procedure)	5 Schedule for the settlement day	6 T2S CA standards	7 T2S settlement finality I	8 T2S settlement finality II	9 T2S settlement finality III	10 Outsourcing IT (settlement) services	12 Settlement cycle	13 Availability of omnibus accounts	14 Restrictions on omnibus accounts	15 Securities account number	16 Cash account number	18 CA market standards (CAJWG)	23 Securities amount data
FR (ID2S)	B	B	B	B	Blank	N/A	B	B	B	B	B	B	B	B	B	N/A	B

Pre-migration assessment of compliance of the new French CSD (ID2S) that is expected to join T2S in October 2018. Overall, ID2S shows full compliance with all T2S standards, with the exception of standard 6 – T2S corporate actions standards – and standard 18 – corporate actions market standards. Compliance with these standards has not been assessed at this stage due to the very narrow initial product scope of ID2S²⁵.

Introduction of the Danish krone as a T2S settlement currency. In October 2018 the krone will be introduced as the second T2S currency (alongside the euro). From then on, it will be possible to settle cash legs in T2S in krone central bank money through the connection between T2S and the new krone RTGS system (Kronos2). This change, although very significant for T2S operations and services, does not have a major effect on the T2S harmonisation agenda or on compliance by T2S markets (including Denmark) with the T2S harmonisation standards. The only T2S standard where this change is relevant is standard 16 – cash account numbering – where no change is expected to the Danish market’s current full compliance.

²⁵ ID2S is expected to be compliant with these standards if its product scope evolves to include instruments where these standards are relevant.

3 Looking forward – post-trade harmonisation monitoring in a new era

The existing framework for implementing and monitoring post-trade harmonisation was established in the context of building and migrating to T2S, i.e. it was, by and large, geared towards T2S. This is especially true for all priority 1 T2S harmonisation standards, which focused on the preparation of T2S markets before the migration to T2S. So the framework was also referred to as the T2S harmonisation framework or T2S harmonisation agenda.

The successful completion of the final wave of migration to T2S in September 2017 was a major milestone for the T2S Community, and heralded the beginning of a new phase. This has an impact on the T2S harmonisation framework and, in particular, on monitoring compliance with the T2S harmonisation standards. New harmonisation activities, in particular in the collateral management domain, will also have to be considered when adapting the monitoring framework. While the AMI-SeCo has not yet finalised every detail concerning how to monitor these new activities, it is nevertheless important to present a high-level explanation of the key considerations and the elements of the new monitoring framework that have already been agreed.

3.1 Key considerations in the review of the harmonisation monitoring framework

Overall, the existing T2S harmonisation framework was very useful in defining, monitoring and fostering harmonisation in T2S markets and focusing discussions on the key areas where harmonisation was critical for safe and efficient migration to T2S. Therefore, there is no need for dramatic changes to the monitoring framework – it should rather evolve and adapt to reflect the new phase of work and the future needs of the AMI-SeCo. In particular, the clearly defined list of activities and its user-friendly traffic light-based compliance assessment methodology should be preserved.

The T2S Community's high level of compliance with the T2S harmonisation standards (see Section 4) confirms that significant progress has been made. Nevertheless, in the view of the AMI-SeCo compliance monitoring should continue. In some areas or markets further efforts are needed to secure full compliance. In addition, unexpected issues or evolving needs might arise even for T2S harmonisation standards that currently enjoy full compliance. Therefore, the current list of T2S harmonisation activities will be preserved, and other activities will potentially be added.

The post-trade community represented in the AMI-SeCo agrees that the existing T2S framework for implementing and monitoring post-trade harmonisation needs to be reviewed following the completion of T2S migration to take due account of new post-trade harmonisation activities approved by the AMI-SeCo. The factors shaping

the existing harmonisation activities, which could also possibly give rise to new activities in the foreseeable future, stem from three broad sources:

1. **Practical experience with using T2S in a truly domestic European market.** With T2S CSDs and markets gaining practical experience with using T2S, there may be a need for further work on existing T2S harmonisation activities and standards, or for new ones to be created. This is a distinct issue from T2S markets' mandatory compliance with the existing T2S harmonisation standards.
2. **Follow-up on the European Commission's work on post-trade integration in the context of the CMU.** As mentioned in Section 3, the Commission set up the EPTF in early 2016 to assess the evolution of the EU post-trade landscape and the progress in removing barriers. Based on the report by the EPTF, the European Commission launched a public consultation²⁶ in August 2017. The AMI-SeCo replied to this consultation²⁷, signalling its agreement with the EPTF's analysis and highlighting the key areas for further progress in integrating the securities post-trade market in Europe. In particular, the AMI-SeCo articulated its views on the potential application of new technologies in post-trade services, such as distributed ledger technology, and on harmonisation related to withholding tax procedures and shareholder identification/transparency and registration.
3. **Collateral management harmonisation.** In June 2017 the AMI-SeCo HSG set up a collateral management harmonisation task force. The mandate of the task force includes: (i) identifying harmonisation needs and activities in the field of collateral management; and (ii) identifying and defining harmonised business processes/workflows, the necessary data elements and the ISO 20022-compliant message(s) by which such data should be transmitted.²⁸ In December 2017 the AMI-SeCo endorsed ten collateral management harmonisation activities identified by the task force²⁹. As with T2S, the objective of AMI-SeCo's collateral management harmonisation work is to overcome existing functional and operational barriers to the safe and efficient management of collateral by establishing a single rulebook for collateral management in the EU. Legal harmonisation related to collateral management does not come under the scope of the AMI-SeCo's activities, although the AMI-SeCo may take a view on any potential legal harmonisation efforts conducted by the relevant authorities

²⁶ See the [Consultation document on post-trade in a Capital Market Union: dismantling barriers and strategy for the future](#).

²⁷ See the [AMI-SeCo response to the European Commission's public consultation on post-trade in a Capital Market Union](#).

²⁸ In the context of its work the CMH-TF "will have the latitude to analyse any matters related to collateral management which are relevant for fulfilling the above objectives. These matters include, but are not limited to: (i) identification of barriers to the efficient management of collateral; (ii) analysis of existing market standards/market best practices/guidance with a view to performing a gap analysis and proposing relevant AMI-SeCo standards/best practices/guidance; (iii) harmonisation of ancillary activities which are necessary for the efficient management of collateral, for example, the processing of corporate action events and taxation forms during the lifetime of a repo; (iv) harmonisation of procedures for triparty collateral management and development of ISO 20022 messaging; (v) definition of agreed terminology on key concepts relevant to collateral management; (vi) any other collateral management topic deemed relevant" For full details, see the Task Force's Terms of Reference.

²⁹ See the 2017 Report on collateral management harmonisation endorsed by the AMI-SeCo.

in the future (e.g. in the context of the CMU). The AMI-SeCo's collateral management harmonisation work also takes account of the Eurosystem's needs stemming from the implementation of the Eurosystem Collateral Management Service.³⁰

In June 2018 the AMI-SeCo endorsed two reports prepared by the task force containing detailed harmonisation proposals, notably on the handling of corporate actions in the collateral management context and on tri-party collateral management.³¹ These proposals are fully in line with the Corporate Actions Joint Working Group's (CAJWG) existing harmonisation standards on corporate actions (T2S harmonisation standard 18) monitored by the AMI-SeCo, but are also much more detailed. The task force continues to define harmonisation proposals in the remaining areas where operational inefficiencies exist (which are covered by the ten activities referred to above).³² The AMI-SeCo will monitor and regularly assess further progress on defining detailed harmonisation proposals and compliance with the envisaged rulebook/harmonisation standards, as well as any related follow-up action.

In conclusion, there are currently three broad categories of harmonisation activities that the AMI-SeCo will be conducting for the foreseeable future: (1) the current priority 1 list of T2S harmonisation activities, which are closely related to settlement in T2S; (2) the current priority 2 list of T2S harmonisation activities, which pertain to a broader post-trade harmonisation agenda related to securities settlement; and (3) the collateral management harmonisation activities. Any potential action by the European Commission as a follow-up to the EPTF report and the related public consultation may affect the harmonisation activities and may therefore be reflected in the AMI-SeCo's post-trade harmonisation agenda.

3.2 Elements of the AMI-SeCo's future post-trade harmonisation monitoring framework

Building on the considerations presented above, the AMI-SeCo has agreed on the following elements of the new framework for monitoring progress in post-trade harmonisation³³:

1. The current list of T2S harmonisation activities should be preserved and continue to be presented in future AMI-SeCo reports. Current "priority 1" activities will be labelled "**core T2S settlement harmonisation**", while current "priority 2" activities will be labelled "**harmonisation of post-trade environment of securities settlement**".

³⁰ For further details, see the ECB website.

³¹ The CMH-TF's [report on corporate actions](#) and [report on tri-party collateral management](#).

³² In December 2017 the AMI-SeCo endorsed ten harmonisation activities in the field of collateral management (broken down to 59 priority 1 and 17 priority 2 harmonisation needs). For further information see the [Report on Collateral Management Harmonisation](#).

³³ As mentioned above, the below will not necessarily apply to the AMI-SeCo's progress monitoring for collateral management harmonisation. The exact modalities of this monitoring will be discussed within the task force and endorsed by the AMI-SeCo at a later point in time.

2. The labelling and grouping of the collateral management harmonisation standards and activities approved by the AMI-SeCo, and their integration into the envisaged post-trade harmonisation monitoring framework, will be decided upon following further deliberations within the relevant AMI-SeCo substructures in the first half of 2019.
3. “Traffic lights” will continue to be used for monitoring progress on definition, monitoring and compliance for all post-trade harmonisation standards referred to under points (i) and (ii). For standards in the group “core T2S settlement harmonisation”, only blue (fully compliant) or red (not compliant) statuses will be used for assessing compliance of migrated markets. If a market has a red status, there will be an indication of whether a plan exists to ensure full compliance and, if so, the target date for this plan. For new markets migrating to T2S, the four-colour traffic light scheme will continue to be used to assess their pre-migration harmonisation status and progress. For standards in the group “harmonisation of post-trade environment of securities settlement”, the intention is to keep the four-colour traffic light scheme in view of the nature of the harmonisation activities in that group (less direct relationship to the operation of T2S) and the status of definition, monitoring or compliance (some of those activities have not yet been defined and only a few of them are currently monitored). As regards collateral management harmonisation standards, the traffic light scheme to be used will be decided upon following further deliberations with the relevant AMI-SeCo substructures in the first half of 2019.
4. Harmonisation progress reports will be published once a year, usually at the end of the calendar year. For standards and markets which are already assessed as fully compliant (blue), the national stakeholder groups (NSGs) would be responsible for notifying the ECB team if they identify any deterioration in the assessment (i.e. NSGs confirm that the blue status remains valid and unchanged by not providing any information). The ECB team would then notify the HSG/AMI-SeCo. For standards in the group “core T2S harmonisation”, NSGs with existing non-compliant statuses will be invited to update their assessments and provide further information before each HSG/AMI-SeCo meeting. Post-migration impact assessments of new joiners will be reported in the AMI-SeCo meeting following their migration date and covered in the annual harmonisation progress reports.
5. The methodology of non-compliance impact assessments for “core T2S settlement harmonisation” standards (current priority 1) will be preserved. Non-compliance impact assessments will be published usually as part of the annual post-trade harmonisation progress reports.
6. The annual post-trade harmonisation progress reports will be streamlined. For “core T2S harmonisation” standards the reports will focus on non-compliance cases, the related issues, impact assessments and the plans for resolving non-compliance. For methodological notes and a detailed description of the standards, the reader would be referred to previous harmonisation progress reports and the ECB’s website. Progress reports are expected to cover all

existing and potential post-trade harmonisation activities that the AMI-SeCo may pursue (in particular, in the area of collateral management harmonisation).

To summarise, based on the good experience with the existing framework, the AMI-SeCo does not wish to depart from the well-established overall structure and methodology of the monitoring framework. However, certain elements need to be adapted to the post-T2S migration era in order to maintain the framework's relevance, efficiency and flexibility. The AMI-SeCo will rely on the above framework to present the progress on harmonisation activities pursued and monitored by the T2S Community as of 2019.

Annex 1

T2S Harmonisation activities

A T2S harmonisation activities – priority 1

Note: As anticipated in the milestone report layout proposal endorsed by the AMI-SeCo in its meeting in June 2018, this annex comprised the description of the T2S harmonisation activities, that will no longer be part of the main text of the report, but annexed for reference. For the sake of simplification the activity status has been removed but can be found in the status dashboard in the “current status” section.

Priority 1 activities are needed to ensure efficient and safe cross-CSD settlement in T2S. The HSG and the ECB team should view these activities as a top priority for resolution before the T2S launch and implementation before the markets’ migration to T2S.

T2S messages

The following four sections cover all the activities aimed at harmonising the use of settlement messages across T2S markets. This includes, in addition to the use of a common list of messages and matching fields, the AMI-SeCo agreements regarding the use of T2S messages for non-settlement information (relating specifically to registration and tax procedures).

A.1 T2S ISO 20022 messages

Activity description

The objective of this activity is to monitor the development and implementation of the T2S ISO 20022 messages.

T2S ISO messages are part of the technical specifications/requirements for T2S actors’ interaction with T2S services. T2S actors that do not comply with T2S ISO messages will not be able to connect to and communicate with the T2S technical platform in application-to-application (A2A) mode (including during testing).

T2S markets must achieve compliance before migration to T2S if they wish to connect with T2S in A2A mode.

T2S STANDARD

T2S actors will communicate with the T2S technical platform using a set of ISO 20022 compliant messages (130 messages in total), customised to the specific needs of T2S.³⁴

Some of these messages have already been ISO 20022 registered, while the remainder will be registered after the T2S migration period. The AMI-SeCo (via the T2S Sub-group on Message Standardisation³⁵) and the 4CB³⁶ were the main actors charged with defining the process for this activity.

A.2 T2S matching fields

Activity description

The objective of this activity is to ensure that all T2S markets use the T2S matching fields³⁷ in a standardised way for settlement in T2S. Non-compliance with this standard could negatively affect matching rates in T2S, thus leading to inefficiencies and possible cost increases for other CSDs in the T2S Community.

In addition, the existence of a single and exhaustive list of matching fields allows T2S actors (e.g. investor CSDs and intermediaries) to access all T2S markets without any need to manage divergent and mandatory specificities in the settlement transaction flow. This ensures a level playing field and does not depend on the location of matching services within the T2S markets.

T2S markets must achieve compliance before their migration to T2S.

T2S STANDARD

T2S actors are required to use as matching fields only the ones described in the relevant T2S system specification documents.³⁸

The single list of T2S matching fields is applicable to all matching activities (CSD matching services taking place both in and outside T2S) that lead to settlement in T2S (settlement in T2S securities and/or cash accounts).

³⁴ The full catalogue may be viewed in Section 3 of the [T2S User Detailed Functional Specifications](#) (UDFS) as published on the ECB/T2S webpages.

³⁵ For more information on the T2S [Sub-group on Message Standardisation](#), see the relevant page of the T2S website.

³⁶ The 4CB is made up of the four national central banks of Germany, France, Italy and Spain that were mandated by the Governing Council of the ECB to develop and operate T2S.

³⁷ See T2S UDFS (Section 1.6.1.2.3).

³⁸ See T2S UDFS (Section 1.6.1.2).

This standard does not exclude CSDs and their participants from using additional information/fields in their settlement instructions where applicable. The information may be required by CSDs providing certain ancillary services to their participants (e.g. repo and collateral services).³⁹ In any case, any such market practice in respect of additional information fields should be compliant with all relevant T2S harmonisation standards.

A.3 Interaction with T2S (registration procedures)

Activity description

The objective of this activity is to establish a T2S standard covering the exchange of registration-related information in T2S.

The aim of adopting a homogeneous practice across all T2S markets is to ensure that registration procedures neither interrupt straight-through processing nor hamper smooth cross-CSD settlement in T2S. Including registration information in T2S settlement instructions could reduce settlement efficiency in T2S by causing T2S instructing actors to put instructions on hold.⁴⁰ Non-compliance would impose back-office costs on instructing counterparties and would discourage cross-CSD activity in T2S.

The target date for T2S markets to fully comply with this standard is their migration date to T2S (depending on their migration wave).

T2S STANDARD

Registration details should not be exchanged via T2S messages.

The standard is based on the TFX analysis, which showed that using T2S messages to transmit registration data could affect cross-CSD settlement efficiency and increase complexity in T2S. In addition, based on the current T2S design, this solution would not be feasible in all settlement scenarios.

Further registration-related aspects that could have an impact on cross-CSD settlement are analysed under the relevant priority 2 harmonisation activity elsewhere in this report (see Section 4.5).

³⁹ For example, a T2S best market practice for populating the optional matching field "Client of the CSD participant" was approved by the T2S AG (the AMI-SeCo's predecessor) in February 2016. T2S markets are encouraged to adopt this practice, with the aim of improving cross-border matching efficiency in T2S via a standardised use of optional matching fields.

⁴⁰ This matter was thoroughly analysed by the Task Force on Adaptation to Cross-CSD settlement in T2S (TFAX), an AMI-SeCo substructure, in its final report (November 2012). Registration and settlement are closely related processes, and it is crucial to adapt these processes in order to achieve alignment of settlement and registration data. In practice, it is important to ensure that the register is only updated after settlement has been confirmed. The [TFAX report](#) is available on the T2S website.

A.4 Interaction with T2S (tax info requirements)

Activity description

The objective of this activity is to establish a T2S standard for the management of transaction-related tax information across borders, in order to avoid inefficiencies generated by heterogeneous local tax requirements (transaction-related tax rules and tax information flow).

Non-compliance would impose back-office costs on instructing counterparties and might discourage cross-CSD activity in T2S.

The target date for T2S markets to fully comply with this standard is their migration date to T2S (depending on their migration wave).

T2S STANDARD

Tax-related information for domestic and cross-CSD transactions is not passed via T2S messages.

Note: Tax-related information includes, but is not limited to, the tax status of the transaction, tax status or tax ID of the end-investor, tax exemption identification number, alien registration number, passport number, corporate identification number, driving licence number, foreign investment identity number, BIC, proprietary ID and name and address of the investor. ISO messages provide fields that can be used to pass information about a particular transaction tax type (withholding tax, payment levy tax, local tax, stock exchange tax, transfer tax, value added tax, consumption tax), as well as the amount, debit/credit indicator, currency and other details. To fully comply with this standard, T2S markets/CSDs should not use these fields to pass on any kind of tax-related information.

The TFAX analysed the possibility of interaction with T2S in respect of domestic tax requirements and concluded that there is no technical or process-based solution that would achieve efficient tax information processing in the T2S environment.

A.5 T2S schedule for the settlement day and calendar

Activity description

The use of a single schedule for the T2S settlement day and a single calendar for each currency is established by the T2S User Requirements Document (URD) and is one of the first and key harmonisation agreements in the context of T2S.⁴¹ The AMI-SeCo (former AG) has agreed, since the first stages of the T2S project, that full compliance of T2S markets with the T2S schedule and calendar is a prerequisite for achieving an efficient cross-CSD environment in T2S.

⁴¹ The [URD](#) is available in the key documents section of the T2S website.

This activity has two main aims. First, its implementation should provide assurances over the removal of Giovannini barrier 7 on operating hours, settlement deadlines and opening days⁴² in T2S markets. Second, CSDs and their clients should be able to define, within the single T2S schedule, their preferred operational model, according to their business needs and service level agreements.

The AMI-SeCo noted that proposals for the implementation of technical standards by the CSDR, published by the European Securities and Markets Authority (ESMA) on 28 September 2015, include the legal requirement that linked CSDs (in an interoperable link arrangement) “shall agree on equivalent standards concerning reconciliation, opening hours for the processing of the settlement and of the corporate actions and cut-off times”.⁴³

The target date for each T2S market to achieve full compliance with the T2S standard is its migration date to T2S.

T2S STANDARD

T2S markets should be fully compliant with the T2S schedule for the settlement day and calendar, available on the T2S website.

In order to ensure consistency when monitoring implementation across T2S markets, it should be clarified that the status of “full compliance” with the T2S schedule and calendar is achieved if the following conditions are met by the T2S market/CSD in question.

The T2S market/CSD operational model should ensure that:

1. the CSDs’ securities accounts in T2S are available for bookings (credits, debits, realignment, etc.) until the FOP cut-off and the NCBs’ dedicated cash accounts in T2S are available for bookings until the last cash sweep of the relevant currency;
 2. settlement efficiency in T2S is not affected – for example, the T2S market/CSD will participate in the start-of-day processes and in the timely processing of corporate actions in a systematic manner;
 3. all other T2S daytime (operating hours) and cut-off times are respected (DvP cut-off, etc.);
 4. CSDs provide DCPs with authorisation for connecting to T2S (where required and subject to the relevant T2S technical requirements).
-

If CSD legacy systems shut down during T2S operating hours, CSD participants (investor CSDs, DCPs and indirectly connected parties) may not receive the same level of service. In particular, the timing in respect of sending settlement instructions to and receiving reports from T2S-relevant settlement processes will depend on the CSD participants’ model for connectivity with T2S (DCP, user to application, etc.). This relates to business models and service level agreements between CSDs and their

⁴² For further information, see [Second Giovannini report](#).

⁴³ See 3.12 [Article CSD Links](#) (Article 48).

participants. The policy should not affect the compliance status of a T2S market, provided the above four conditions are met.

The T2S schedule is specified in the scope-defining set of documents. The exact times in the T2S settlement day schedule could be subject to revision, in line with changes in the T2S Community's business needs.

A.6 T2S corporate actions standards

Activity description

Differences in national rules relating to the processing of corporate actions have been identified by the industry as one of the most critical barriers to an integrated EU post-trade environment. As identified by the Giovannini Report (barrier 3), these differences cover a broad range of topics, with an impact beyond core settlement problems (e.g. variation in rules, information requirements and deadlines for corporate actions). These differences may require specialised local knowledge or the local storage of physical documents, thus inhibiting the centralisation of securities settlement.

The AMI-SeCo endorsed the T2S corporate actions standards in July 2009 and updated them in May 2013.⁴⁴ Non-compliance with these standards by T2S markets will hamper the efficient management of corporate actions on flows, especially in the context of cross-CSD settlement. The standards are based on the high-level corporate actions market standards defined by the European Commission-sponsored CAJWG (see activity no 18, described in Section 4.2). More specifically, the T2S corporate actions standards provide the details necessary for T2S markets to implement the market standards for corporate actions on flows in T2S in a harmonised manner.

Full compliance with the T2S corporate actions standards must be achieved before a market migrates to T2S. T2S markets must also be able to participate in bilateral interoperability testing, multilateral testing and community testing, in line with the T2S corporate actions standards.

T2S STANDARD

T2S markets should comply with the T2S corporate actions standards, as endorsed by the AMI-SeCo and published on the T2S website, related to corporate actions on flows (i.e. market claims, transformations and buyer protection).

⁴⁴ The full list of T2S corporate actions standards is available on the [T2S website](#).

In addition to the standards, the T2S CASG has published a detailed frequently asked questions (FAQ)⁴⁵ document listing the most relevant questions related to the implementation of the T2S corporate actions standards. The FAQ is a “living” document that is frequently updated as the T2S CASG addresses new questions raised by the T2S markets.

Legal harmonisation

Activities 7 to 10 cover issues of legal harmonisation across T2S markets. Together with the priority 2 activity relating to conflict of laws issues (covered in Section 4.1), they are expected to enhance legal certainty and strengthen the legal framework for cross-CSD operations in T2S.

The three activities relating to settlement finality seek to ensure that all participating T2S “systems” have a harmonised definition of the moment of entry of transfer orders into the system (SF I), the moment of irrevocability of transfer orders (SF II), and the moment when settlement (i.e. entries in accounts) becomes irrevocable and enforceable (SF III). This is crucial for ensuring legally sound and seamless settlement at cross-CSD level.

The other priority 1 legal harmonisation activity refers to the authorisation of CSDs to outsource their settlement-related IT to a public entity (see Section 3.10).

The four activities presented below are clearly connected to already existing or ongoing international and EU legal harmonisation agreements/initiatives, e.g. the Settlement Finality Directive, the ESCB-CESR recommendations, the CPSS-IOSCO principles and the CSDR.

The priority 2 activity on legal certainty is clearly linked to the European Commission’s communication regarding the CMU action plan and the legislative initiative on the conflict of laws issues.

A.7 Settlement finality I

Activity description

SF I may be defined as the moment of entry of a transfer order into the system. It contributes to identifying the moment at which a transfer order is protected against insolvency procedures. SF I is defined in and covered by:

- the Settlement Finality Directive 98/26/EC, Article 3;
- ESCB-CESR (2009) recommendations for securities settlement systems (no 1);

⁴⁵ The latest update of the FAQ document was published in October 2017 and is available on the [T2S CASG webpage](#).

- CPSS-IOSCO (2012) principles for financial market infrastructures (no 1 and no 8);
- Regulation (EU) No 909/2014 (CSDR), 23 July 2014, Article 39(2) and Article 48(8).

The aim of this T2S harmonisation activity is to agree on a common T2S rule regarding the moment of entry of a transfer order into the system (SF I) and to ensure that all T2S markets comply. The Framework Agreement (Article 21(4)) and the CSDR (Article 48(8)) recognise the need for a harmonised CSD rule for the moment of entry of a transfer order into the system (for interoperable systems).

SF I is currently defined in the rules of all designated securities settlement systems and the payments systems of the national central banks (as is required by the Settlement Finality Directive). At domestic level, all T2S markets are compliant with SF I (in accordance with the Settlement Finality Directive). However, important divergences have been noted in the past between these national rules across the T2S CSDs.⁴⁶

In order to minimise legal risks in cross-CSD transactions, as well as to create a level playing field, a single definition of the moment of entry of a transfer order into the system must be agreed upon and implemented by all T2S markets/CSDs. A harmonised rule will protect against spillover effects arising from the insolvency of a participant in another CSD (linked CSD in T2S).

T2S STANDARD

CSDs to define SF I in their systems as the moment of validation of a transfer order.

The CSDs using the T2S platform have agreed on a harmonised moment of entry of securities transfer orders into their respective systems: this corresponds to the moment of validation of the transfer order. This validation can take place either on the T2S platform or on the CSD legacy systems (for those CSDs offering domestic matching services). The standard implements the resolution passed by the T2S CSD Steering Group (CSG) in December 2013.

The Eurosystem national central banks define SF I in their systems (i.e. TARGET 2) as currently prescribed in the TARGET2 Guidelines (i.e. SF I = SF II = SF III). The CSDs and the central banks in T2S have signed a collective agreement which introduces a single SF I rule for all systems (both CSD systems and central bank systems). This requires all systems to define SF I, in their rules, as the moment of validation of a transfer order.

⁴⁶ An ECSDA survey dated 24 October 2011 on settlement finality found that out of the 18 CSDs that participated in the survey, six CSDs consider the “point of entry” to be the moment at which the instruction (transfer order) is first received by the CSD, while 12 CSDs consider the “point of entry” to involve not only the receipt of an instruction, but also some form of validation (which varied among the CSDs).

Furthermore, the T2S Community has on its radar the insolvency rules that deal with the treatment of instructions after a CSD participant's default, or after declaration of SF I. At EU level, ESMA adopted the guidelines on participant default rules and procedures in June 2017.⁴⁷ These guidelines set out, inter alia, the procedure for acknowledging a participant's default, and determine the actions a CSD may take in the event of such a default. The actions include changes to normal settlement practices, such as blocking the entry of additional settlement instructions by the defaulting participant, suspending the participant's non-final settlement instructions from settlement, or restricting certain functionalities that can be applied to the settlement instructions of that participant (e.g. setting an end date for the recycling of a settlement instruction). At T2S Community level, the CSG has set out standards intended to enhance functionality related to preventing acceptance (i.e. reaching SF1) of new settlement instructions based on the T2S dedicated cash account or securities account, or simplify functionality related to the retrieval of SF1/SF2 timestamps. In addition, the T2S Community has agreed on tools and procedures that should be used to handle a CSD participant's insolvency.

A.8 Settlement finality II

Activity description

Settlement finality II (SF II) is defined as the irrevocability of a transfer order (and not of the transfer of the securities itself) according to the rules of a system designated under the Settlement Finality Directive. SF II is defined in and covered by:

- Settlement Finality Directive 98/26/EC, Article 5(1 and 2);
- ESCB-CESR (2009) recommendations for securities settlement systems (no 1 and 8);
- CPSS-IOSCO (2012) principles for financial market infrastructures (no 1 and 8);
- Regulation (EU) No 909/2014 (CSDR), 23 July 2014 Article 39(2) and Article 48(8).

The aim of this activity is to adopt a harmonised rule for the moment of irrevocability of transfer orders, in order to eliminate the risk of transfer order revocation in a T2S cross-border environment.

The target date for T2S markets to comply with the agreed rule is their migration to T2S (depending on their migration wave).

⁴⁷ [ESMA Guidelines on "CSD participants default rules and procedures"](#).

T2S STANDARD

No unilateral cancellation is possible after matching status is achieved in T2S.

The irrevocability of transfer orders in T2S is protected by the rule prohibiting the unilateral cancellation of instructions after matched status has been achieved in T2S (see the T2S URD⁴⁸).

CSDs should comply with the rule covering the irrevocability of transfer orders as laid down in the T2S URD (i.e. no unilateral cancellation in T2S) by default, since there is no T2S functionality for unilateral cancellation after matched status has been achieved in T2S. However, it is necessary to monitor to ensure that the CSDs' regulatory environments, including their rules and procedures, have been updated accordingly.

This also complies with Article 21(4) of the T2S Framework Agreement, according to which contracting CSDs must make all arrangements necessary to adopt a harmonised definition of the irrevocability of transfer orders.

A.9 Settlement finality III

Activity description

SF III is defined as the irrevocability of transfers (bookings in CSD accounts) according to the rules of a system designated under the Settlement Finality Directive. Although no rule for SF III is set out in the Settlement Finality Directive, it is defined in and covered by:

- ESCB-CESR (2009) recommendations for securities settlement systems (no 1 and 8);
- CPSS-IOSCO (2012) principles for financial market infrastructures (no 1 and 8);
- Regulation (EU) No 909/2014 (CSDR), 23 July 2014, Article 39(3) and Article 48(8).

This activity aims at ensuring that all T2S markets comply with the common rule on the unconditionality and irrevocability of account entries (debits and credits) in T2S.

Full compliance by all T2S markets with the common SF III rule is of the utmost importance, since any non-compliance would undermine the legal certainty of bookings in T2S accounts. It would also represent a breach of the obligations stipulated in the T2S Framework Agreement.

⁴⁸ Available at: [T2S URD](#).

This is also in line with Article 21(4) of the T2S Framework Agreement, according to which contracting CSDs must make all arrangements necessary to recognise account entries as irrevocable.

The target date for T2S markets to comply with the agreed rule is their migration to T2S (depending on their migration wave).

T2S STANDARD

According to Article 21(4) of the T2S Framework Agreement, in order to facilitate legally sound, seamless cross-border DvP settlement, the regulatory/legal environments of the CSDs participating in T2S must recognise account entries in T2S as unconditional, irrevocable and enforceable.

This is particularly relevant in cases where accounts representing legal ownership rights are maintained by the CSD in its local legacy IT system, i.e. outside T2S. In these cases – and independently of the holding model followed by each market – the harmonisation of settlement finality rules would ensure that bookings in accounts maintained in T2S are irrevocable, unconditional and enforceable.

A.10 IT outsourcing (settlement services)

Activity description

The outsourcing of settlement services to T2S requires the approval of the relevant regulator, subject to applicable national laws and regulations. In the past, the AMI-SeCo identified some national legislation/regulations in the EU which could be interpreted as either prohibiting or hampering the outsourcing of settlement services.

A.11 Settlement discipline regime

Activity description

At present, settlement fails⁴⁹ are not subject to deterrent penalties in all EU markets and settlement discipline measures, when in place, differ widely between markets.

A harmonised settlement discipline regime is needed in T2S to avoid the risk of creating multiple, inconsistent or incompatible regimes that would cause operational complexity, in particular for cross-CSD settlement. It is also required at EU level to ensure a level playing field and to avoid the risk of “regulatory arbitrage”, i.e. the shift

⁴⁹ According to the CSDR, Article 2(15), “settlement fail” means the non-occurrence of settlement, or partial settlement of a securities transaction on the intended settlement date, due to a lack of securities or cash, and regardless of the underlying cause.

of volumes to markets with lighter regimes and sanctions. Weak or non-harmonised settlement discipline regimes could also lead to a high number of failed transactions and might, therefore, have an impact on financial stability.

In principle, the target date by which all T2S markets should have converged towards harmonised rules is their migration to T2S (depending on their migration wave). However, current regulatory developments in the EU (such as the CSDR level 2 legislation), combined with the complexity of implementation, mean that in practice a harmonised settlement discipline regime will only be achievable for T2S markets after their migration to T2S.

A.12 Settlement cycles

Activity description

In EU markets, the settlement cycle timeline for transferable securities executed on trading venues and settled in a securities settlement system used to range from T+3 to T+2. The existence of differing settlement cycles would have had no impact on the core settlement process in T2S since T2S is neutral in this respect – it can accommodate different settlement cycles.

However, the establishment of a single settlement cycle in the EU was deemed crucial for T2S participants' technical infrastructures in terms of rationalising back-office activities and managing cross-border corporate actions. The former non-harmonised practices rendered the management of cross-border corporate actions quite inefficient and costly, given that the deadlines for instructing in respect of relevant messages laid down in the EU corporate actions market standards are based on the notion of the settlement cycle timeline.

CSD account structures

This topic covers the need for CSDs to offer account structures that make it possible to meet the T2S objective of efficient cross-CSD settlement.

From a T2S perspective, two harmonisation standards have been identified as essential for ensuring safe and efficient use of links in T2S. Both relate to omnibus accounts.

A.13 Availability of omnibus accounts

Activity description

This activity aims to ensure that issuer CSDs offer omnibus accounts to their foreign participants (investor CSDs and intermediaries), thereby supporting the concept of CSD interoperability and cross-border settlement inside (or even outside) T2S.

Any unavailability of omnibus accounts for foreign CSD participants would jeopardise CSD interoperability and cross-CSD settlement and would, in practice, hinder market access for investor CSDs and foreign intermediaries. This would be against the T2S eligibility criteria for CSDs.⁵⁰

T2S STANDARD

Issuer CSDs in T2S must offer omnibus accounts to their foreign participants (investor CSDs and intermediaries) to ensure interoperability and efficient cross-CSD settlement.

A.14 Restrictions on omnibus accounts

Activity description

The objective of this activity is to ensure that issuer CSDs, in addition to offering foreign participants the possibility to open omnibus accounts (see previous section), also offer these participants, as required, appropriate services with these accounts (e.g. those related to withholding tax or proxy voting).

Any unavailability of such services is usually replaced by mandatory account segregation rules in the issuer CSDs. These rules must be propagated by investor CSDs and other intermediaries throughout the holding chain, including in the CSD link arrangements.

The failure to provide appropriate services with omnibus accounts would represent an obstacle to CSD interoperability and cross-CSD settlement inside (or even outside) T2S, as well as to market access for foreign intermediaries.

This activity focuses on restrictions that issuer market practices, as well as fiscal and regulatory obligations, place on the services offered by the issuer CSD. The activity does not cover restrictions imposed in respect of account structure that are placed on end-investors and their intermediaries by the regulatory authorities of the investor's country.

⁵⁰ For more information, see the [CSD eligibility criteria](#) in T2S.

T2S markets must comply with this harmonisation standard by the time they migrate to T2S.

T2S STANDARD

To make full interoperability, cross-CSD settlement and market access possible in T2S, issuer CSDs in T2S must provide appropriate services on omnibus accounts to foreign participants, as required by participants (e.g. withholding tax and proxy voting). These omnibus accounts should also include, as an option, holdings of domicile and non-domicile investors.

A.15 Securities account numbers

Activity description

The objective of this activity is for T2S CSDs to designate a harmonised number to securities accounts in T2S. The idea is to incorporate logic into the account numbers to facilitate the identification of account holders and providers.

Compliance with the agreed standard must be achieved by all T2S markets in time for their migration to T2S (depending on their respective migration wave). CSDs should, nonetheless, be able to participate in T2S testing using the agreed numbering standard.

T2S STANDARD

In securities account numbering, CSDs must use a four-digit BIC to identify parties of CSDs, plus maximum 31 digits of free text.

A.16 Cash account numbers

Activity description

The objective of this activity is for T2S cash account providers to assign a harmonised number to the dedicated cash accounts in T2S. The purpose is to build logic into dedicated cash account numbering to facilitate the identification of account holders and providers.

Compliance with the agreed standard must be achieved by all T2S markets in time for migration to T2S (depending on their respective migration wave). T2S markets should, nonetheless, be able to participate in bilateral interoperability testing, multilateral testing and community testing using the agreed standard.

T2S STANDARD

The dedicated cash account numbering standard includes 34 characters (one to designate the cash account, two for the country, three for the currency code, 11 for the BIC and 17 characters of free text for the account holder).

Example: CFREURBANKFRPPXXXMAIN-DCA-ACCOUNT CDEEURBANKDEFF123DCA CLIENT ALPHA

B T2S harmonisation activities – priority 2

Priority 2 activities are not essential to ensuring safe and efficient cross-CSD settlement in T2S, although they are key for the enhancement of the competitive environment and the efficiency of T2S. The T2S Community could continue to pursue these activities after the markets' migration to T2S.

B.1 Location of securities accounts/conflict of laws

Activity description

The issue of the location of accounts/conflict of laws relates to the law applicable to the transfer of securities and to CSD securities accounts.

Clarity with regard to the law applicable to securities accounts is particularly important for T2S because these accounts remain legally attributed to the CSD, regardless of the physical location of the IT infrastructure.

Conflict of laws may also be relevant to freedom of issuance – another post-trade harmonisation issue. As suggested in the CSDR, issuers should have the right to issue their securities in non-domiciled CSDs. This right may lead to an increase in the instances of conflicts of laws, occurring when non-domiciled issuers decide to issue their securities in the issuer CSD.

B.2 Corporate actions market standards

Activity description

The market standards for corporate actions processing were drawn up by the Corporate Actions Joint Working Group (CAJWG), an industry working group under the aegis of the European Commission's CESAME2 group. They were endorsed by

the relevant industry bodies in 2009, and a revised version of the standards was issued in 2012.

These market standards provide the basis for the T2S corporate actions standards (see Section 3.6).

The status of markets' compliance with the CAJWG standards is monitored by the CAJWG and the E-MIG.

T2S STANDARD

T2S markets should comply with the market corporate actions standards as defined by the CAJWG.

From a T2S perspective, the target date for compliance by T2S markets is migration to T2S (depending on their respective migration wave) since this is related to compliance with the T2S corporate actions market standards. T2S markets should, nonetheless, be able to participate in bilateral interoperability testing, multilateral testing and community testing, in compliance with the corporate actions market standards.

B.3 Place of issuance

Activity description

This activity relates to the restrictions that are in place in national laws or market rules in EU countries with regard to the place of issuance of securities. These restrictions represent a barrier for issuers when they need to choose infrastructures and service providers.

This impediment to freedom when choosing an issuer CSD does not directly affect T2S and entails no operational/legal risks for the migration to or operation of the single platform. Nevertheless, it has an impact on competition for issuer CSD services in the respective markets.⁵¹ It also constitutes a barrier to cross-border securities investment and the creation of a single capital market in the EU.

⁵¹ This issue was raised by the Task Force on smooth cross-CSD settlement, the predecessor of the TFAX and the XMAP, in its final report to the AG (the AMI-SeCo's predecessor) in June 2011, specifically in the section concerning access and interoperability issues. The task force's report is available on the [T2S website](#).

B.4 Withholding tax procedures

Activity description

Giovannini barrier 11 relates to the domestic nature of withholding tax regulations in the EU and the resulting disadvantages for non-domestic intermediaries. It is usually the case that relief at source can only be granted with the help of an entity that has tax withholding responsibilities. In many cases national tax rules reserve tax withholding responsibilities for local intermediaries, and thus “force” foreign intermediaries to use local fiscal agents. More generally, each country has its own national procedures for dealing with tax relief and these are often complex to manage for foreign investors, especially for investors in securities from multiple countries.

The barrier has a number of consequences, including the following:

- the impact of tax relief procedures on an investment decision and its return can be significant, so investors may be incentivised to invest locally to avoid dealing with complex and costly tax relief and reclaim procedures;
- remote access to issuer CSDs by foreign intermediaries may be discouraged, since foreign intermediaries are at a disadvantage vis-à-vis local intermediaries;
- the location of the issuer CSD could potentially be restricted to local CSDs.

This situation represents a burden for the industry and investors (both inside and outside T2S markets). It penalises cross-border investment, disrupts post-trade processes, increases the cost of cross-border trading and is, ultimately, fundamentally incompatible with a single European securities market.

Following the report by the Clearing and Settlement Fiscal Compliance expert group (FISCO), in October 2009 the European Commission published a Recommendation on withholding tax relief procedures,⁵² outlining how EU Member States could make it easier for investors resident in one Member State to claim entitlements to relief from withholding tax on securities income (mainly dividends and interest) received from another Member State (relief at source). The European Commission’s Recommendation also encourages Members States to apply quick and standardised refund procedures where, for practical reasons, they have not been able to provide relief at source, and suggests measures to protect Member States’ tax revenues against errors or fraud. A European Commission services study⁵³ shows that costs related to the current reclaim procedures are currently estimated at €1.21 billion per year, while the amount of foregone tax relief is estimated at €6.03 billion per year, and the opportunity costs arising from delayed claims and payment of tax refunds are estimated at €1.16 billion per year. In January 2016 the total cost of withholding tax refund processes was estimated at a total of €8.4 billion per year.

⁵² See the COM (2009) 7924 final – [Recommendation on withholding tax relief procedures](#).

⁵³ See the study on “The Economic Impact of the Commission Recommendation on [Withholding Tax Relief Procedures](#) and the FISCO Proposals”.

With regard to tax relief on booked positions, no substantial risks to T2S operations have been identified in the absence of a resolution on this topic, although this does raise cross-border access issues. There is also an interconnection between this activity and activity 6 (on corporate actions), as national withholding tax rules may affect the calculation of market claims. The AMI-SeCo is therefore of the opinion that further delays in progress on this topic could have an impact on settlement efficiency and cross-border access issues in the affected markets.

B.5 Cross-border shareholder transparency and registration procedures

Activity description

This activity covers the two connected areas of cross-border shareholder transparency and the registration procedures⁵⁴ linked to the issuer CSD's operating and regulatory frameworks.

With regard to shareholder transparency for registered securities, in most EU countries there are effective models used to identify domestic shareholders. However, there is no harmonised European model that enables issuers to identify their owners in a cross-border environment. Issuers have, therefore, pointed out that owing to increased cross-border activity in T2S, shareholder transparency issues might emerge across borders. A key concern is how to retrieve specific shareholder information via the omnibus account in CSD link arrangements. The AMI-SeCo has agreed that the resolution of this issue is important, although this should not affect the current scope of T2S services. This activity is therefore considered to be priority 2. One resolution that could be considered in future releases of T2S could, potentially, include a centralised solution via the T2S platform.

One determining aspect relating to shareholder disclosure is the registration rules and procedures according to which the issuer CSD operates. Registration procedures for certain securities have long been recognised as one of the most difficult and complex areas for harmonisation in some jurisdictions. Procedures are usually based on long-standing legal and regulatory rules (e.g. regarding the owner of a registered instrument or the investor's rights over the same asset). Registration procedures, and the mechanisms used to transmit registration information, vary considerably between European countries. They are particularly complex and can, in some cases, affect both the issuance/central safekeeping services of a CSD, as well as settlement services.

The AMI-SeCo agrees that if registration procedures remain non-harmonised, this may have a negative effect on the efficiency of cross-CSD settlement in T2S. It could also affect market access, which is particularly important for investor CSDs in T2S.

⁵⁴ The registration procedure is the procedure for updating a register (managed by a registrar) that contains information on the identity (name, address, etc.) of shareholders in a company.

B.6 Market access and interoperability

Activity description

The activity is fundamental for enhancing financial integration in the EU. It reflects the need for regulatory frameworks to allow CSDs to provide requesting parties (i.e. foreign and market participants, CSDs and other market infrastructures) with access to their services. It also reflects the need to provide a European framework of rules and procedures for granting or refusing this access.

The activity covers, for example, market practices or legislation that obligate or restrict the settlement of (stock exchange and/or central counterparty-cleared) transactions in a specific issuer CSD. The consequence for foreign investors, custodians and/or investor CSDs in such (issuer) markets is that access to settlement flows is restricted because of the unfair competitive advantages that are established in those issuer markets. The restriction implies that entities wishing to offer settlement services on these securities need to become participants in the issuer CSD or central counterparty.

The issue has no direct impact on T2S settlement processes, although it is important for competition and CSD access conditions in T2S-relevant markets.

B.7 Securities amount data

Activity description

This activity seeks to address the absence of a standardised practice across all T2S markets for defining securities amount data (face value/nominal amount vs quantity/units) in the trading, clearing and settlement chain.

The non-standardisation of securities quantity data has no impact on T2S settlement as long as only one rule is used for each ISIN in T2S (either the nominal amount (FAMT) or quantity/units (UNIT)).⁵⁵

However, the current practice in some markets may create difficulties for foreign entities (investor CSDs and custodians) that wish to offer services for securities in those markets.

The objective of this activity is to ensure that all T2S markets are aligned with the EU's standard practice in time for migration to T2S (depending on their respective migration

⁵⁵ For each T2S settlement instruction, T2S verifies whether the type of settlement amount in the settlement instruction (face amount or number of units) matches the type of amount as defined for a given ISIN in the T2S static data. This makes it impossible for a T2S actor to instruct T2S in both nominal amount (FAMT) and units (UNIT) for the same ISIN. T2S actors should select in advance, for a given ISIN, only one of these settlement amount types.

waves). T2S markets should, nonetheless, be able to participate in bilateral interoperability testing, multilateral testing and community testing, using the agreed shared practice.

T2S STANDARD

In line with the current standard market practice in the EU, T2S markets should define securities amount data by using nominal value for debt instruments and units for non-debt instruments (i.e. debt instruments in FAMT and equities in UNIT).

B.8 Portfolio transfer

Activity description

The TFAX analysis⁵⁶ reveals obstacles in the context of portfolio transfers⁵⁷ that call for further harmonisation efforts in T2S markets. Each T2S market currently has its own requirements in terms of the information that must be provided by the delivering custodian to the receiving custodian during a portfolio transfer.

In view of increasing cross-border business and cross-border portfolio transfers, this is likely to lead to a high level of complexity in information gathering and maintenance for CSDs and CSD participants involved in portfolio transfers. In the context of T2S, this could lead to the manifestation of additional complexities for the actors involved in terms of information gathering and maintenance.

The T2S Community has agreed, in line with the TFAX recommendation, that the information required by the receiving custodians should be harmonised as much as possible to ensure smooth cross-CSD settlement.

⁵⁶ The [TFAX report](#) is available in the relevant section of the T2S website.

⁵⁷ Portfolio transfers (or book transfers) occur when a client changes custodian or bank.

Annex 2

Detailed monitoring information per T2S market

T2S harmonisation activities: Austria

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	No barriers identified for achieving full compliance before migration to T2S.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	No barriers identified for achieving full compliance before migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey May 2013. Registration information is not transferred via settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey May 2013. Tax information is not transferred via settlement messages.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	89%	R-?	Major technical changes/ Market practice changes	Not available	Not available	CANIG and T2S NUG (CSD/ CCP, banks and Issuers)	Info source: May 2018 CASG gap analysis update and further NUG clarification. The AT market does not comply with MC standards 6 and 7 (related to treatment of ex/cum and opt-out indicators) as well as MC standard 23 as no user friendly facility is provided to control the interdependence of the settlement of the market claim with the underlying transaction.
	Transformations (13 standards)	100%						
	Buyer protection (18 standards)	100%						
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. Only bilateral cancellations are possible after matching status.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. Market already complies with the standard.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2013 HSG survey and bilateral input. Fully compliant with omnibus accounts availability.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2013 HSG survey and bilateral input. No restrictions on omnibus accounts.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013 and Q3 2013 CSD status gathering template.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April- May 201. Bilateral exchanges with NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	87%	G	Straight-forward to implement	N/A	Project set up for 2018	Austrian Corporate Actions National Implementation Group (CANIG)	Info source: BSG/E-MIG Survey (2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. Full compliance with European market practice.

T2S harmonisation activities: Belgium (Euroclear)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2, White Paper and bilateral input. Matching rules that will apply are those of the T2S platform. Full compliance for testing.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: May 2013 HSG survey. Registration information is not transferred via settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: May 2013 HSG survey. Tax information is not transferred via settlement messages.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	Fully compliant	R-?	N/A				Info source: May 2018 CASG gap analysis report and further NUG clarification.
	Transformations (13 standards)	Fully compliant		N/A	Q4 2017	N/A	Euroclear	In order to achieve full compliance with the buyer protection standards, the Belgian market is awaiting the entry into force of its securities law expected in January 2019.
	Buyer protection (18 standards)	0%		Other				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. EoC (BE) already complies with only bilateral cancellation after matching status.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. Terms and conditions will be updated to implement SFIII in T2S. This update will have to be presented and approved, where applicable, by the Belgian regulator (Nationale Bank van België/Banque Nationale de Belgique). No barriers identified in this process.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. There are no issues with omnibus accounts availability for the ESES countries.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No restrictions on usage of omnibus accounts.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, May 2013. No barriers identified.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013 and bilateral input from BE NUG. No barriers identified.
Priority 2								
18. Corporate actions	CA market standards (68)	88%	G	Market practice change	N/A	Q1 2018	Euroclear	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards. Final implementation was expected with Euroclear launch of Stream 6 in February 2018.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: Belgium (NBB-SSS)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: BE NUG input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards following implementation of the new technical platform.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2013. Registration process is paper-based. No need to include registration info in settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2013. No additional information is requested in settlement messages for tax processing.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)			N/A				
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: May 2018 CASG gap analysis update. NBB-SSS complies fully with the T2S CA standards relevant for the securities it serves.
	Buyer protection (18 standards)			N/A				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards following the implementation of the new technical platform in February 2015.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing. No regulatory barrier for outsourcing of settlement services by the CSD to the Eurosystem.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. NBB-SSS offers omnibus accounts.
	14. Restrictions on omnibus accounts	Fully compliant	B	Market practice change	N/A	N/A	NBB-SSS	Info source: NBB-SSS. Compliant since June 2017.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG confirmation that the market is now fully operational according to the T2S standards following the implementation of the new technical platform in February 2015.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013.
Priority 2								
18. Corporate actions	CA market standards (68)	96%	G	Other	Testing readiness achieved	Mid 2017	NBB-SSS	Info source: BSG/E-MIG Survey (Nov 2017).
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. NBB-SSS is in line with European market practice.

T2S harmonisation activities: Switzerland (SIX SIS)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)		B	N/A	N/A	N/A	N/A	Info source: May 2018 CASG gap analysis update.
	Transformations (13 standards)	Fully compliant						
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	16. Dedicated cash account numbering	N/A	N/A	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
Priority 2								
18. Corporate actions	CA market standards (68)	98%	G	N/A	N/A	Final implementation date note available	SIS	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.

T2S harmonisation activities: Germany

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of tax information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	63%	R-?	Market practice change and/or Legislative change	Testing readiness achieved	Not available - For high impact standards: Q1 2019 - For low impact standards: no current plan	CBF / national authorities / SWIFT format: DESSUG	<p>The German NUG/NSG reported that the necessary legal changes had been made by the German parliament in order to introduce Record date on 1 Jan 2017, prior to DE market migration to T2S (Feb 2017).</p> <ul style="list-style-type: none"> • Implementation of the Market Claim standards with high impact on the T2S Community (payment on T2S DCA accounts and managing of fractions) is postponed to 2019. This is due to the extended authorisation process resulting from the CSDR application and the subsequent additional requirements to be developed and implemented in priority. Implementation Plan: 1 Q 2019. • The German market does not have a plan to eventually comply with the two remaining standards ("CUM" flag and generating of MCs independently of settlement of the underlying transaction). Regarding the CUM flag, it may only elaborate such plans having monitored handling and processing in other T2S markets and only after approval by the respective authorities. • The implementation of the Record Date was an important achievement in the German market; however, several cases of non-compliance have been observed from investment funds. No date of compliance possible (all markets with Fund business are impacted – Germany raised this issue in the CAJWG and CASG). • In the context of T2S cross-border activities, the non-compliant lack of market claim generation for non-flat bonds and for OTC transactions on debt securities raised issues for investor CSDs. Implementation Date: open.
Transformations (13 standards)	100%	N/A						
Buyer protection (18 standards)	94%	Market practice change						

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
					Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Info Source: T2S NUG/NSG - Settlement finality questionnaire, bilateral confirmation.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S settlement finality rule III.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013. No barriers identified.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: confirmation from the DE NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	Not compliant	R-No Info	N/A	N/A	N/A	N/A	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics not updated, still based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: Denmark

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. VP is planning to fully comply with the relevant T2S standard by its migration to T2S.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. VP is planning to fully comply with the relevant T2S standard by its migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Registration information is not part of the settlement instruction.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Tax information is directly associated with the account, hence no need to transfer the details in settlement message.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	93%	R	Major technical change		Not available	VP and DK NSG	Info source: May 2018 CASG gap analysis update. Cases of non-compliance with Market Claim Standard 10 (i.e. market claims are not generated for trades settled in T2S in which a CA-event occurs involving a non-T2S settlement currency) and Standard 14 (i.e. Danish taxation rates are, for current market practice reasons, applied for a small number of ISINs, issued in a non-T2S CSD) after VP's migration to T2S in September 2016 . VP's status remains Red.
	Transformations (13 standards)	100%		N/A	Testing readiness achieved			
	Buyer protection (18 standards)	100%		N/A				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. Full compliance with T2S SF II rule.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input from the DK NUG.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral discussions.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral discussions.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the Danish NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	87%	G	Market Practice Change	Testing readiness achieved	Oct 2018	VP and Danish NUG	Info source: BSG/E-MIG Survey (Nov 2017).
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral discussions.

T2S harmonisation activities: Estonia

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)		B	N/A	N/A	N/A	N/A	Info source: May 2018 CASG gap analysis update and bilateral input.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)		B	N/A	N/A	N/A	N/A	
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. The local settlement system supports the same cancellation principles as T2S. Matched instruction demands cancellation instructions from both counterparties.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Compliance achieved with migration to T2S.
Priority 2								
18. Corporate actions	CA market standards (68)	94%	G	N/A	N/A	No date provided	NUG/MIG	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: Spain (IBERCLEAR)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Full compliance achieved with migration to T2S.
	2. T2S matching fields	Fully compliant	R-?	Market practice changes	Not available	Not available	Iberclear	Info source: SP2 and bilateral input. The T2S matching field "Client of the CSD participant" is used in order to handle end-investor information for intra-CSD transactions on equities.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: ES NSG.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transfer tax information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2018 CASG gap analysis update.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. No need for any changes for compliance with T2S SF II rule.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. No need for any changes for compliance with T2S SF III rule.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on settlement cycle and bilateral exchanges. Spanish fixed income securities markets (public and private debt) migrated to T+2 on 06/10/2014. Spanish Stock Exchange transactions (mainly equities) migrated to T+2 on 03/10/2016 achieving full compliance.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. Full compliance in place.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. Full compliance in place.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NSG input. Full compliance achieved with migration to T2S.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013. Full compliance in place.
Priority 2								
18. Corporate actions	CA market standards (68)	92%	G	N/A	N/A	No date provided	Iberclear	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input.

T2S harmonisation activities: France

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for registration process.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for sending tax-related information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	96%	R- Dec 2018	Major technical change				Info source: May 2018 CASG gap analysis report and further NUG clarification. Compliance with the remaining T2S CA Standards (on Transformations and Buyer Protection) is rescheduled for Q4 2018. For Transformation Standard 9 on mandatory reorganisation without options, no implementation date has been defined.
	Transformations (13 standards)	0%		Major technical change	Q4 2017	Q4 2018	FR - MIG	
	Buyer protection (18 standards)	0%		Other				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. EoC already complies with T2S SFII rule (bilateral cancellation).
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date		Implementation actor(s)	Further comments
					If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.			
					Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. Full compliance with omnibus account availability in France.
	14. Restrictions on omnibus accounts	Not compliant	R-?	Legal and Market practice change/Regulation	Not available	Not available	National legislator	Info source: EoC FR. Euroclear FR requires participants to maintain two omnibus accounts based on type of securities holdings per one ISIN (registered and non-registered securities). Investor CSDs and their participants are forced to propagate this segregation throughout the custody chain. Since the implementation of T2S, Investor CSDs holding such securities need now also to propagate this segregation to the securities accounts of their participants, in order to allow T2S platform to technically perform the cross CSD realignment.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013. French market plans for full compliance prior to migration to T2S.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: FR NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	84%	G	Market practice change	N/A	Q1 2018	Euroclear	Info source: BSG/E-MIG Survey (Nov 2017). Final implementation was expected with Euroclear launch of Stream 6 on 19 March 2018. The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Not compliant	R	N/A	N/A	Newly issued convertible bonds will be issued in FAMT. New issued securisation mutual funds will be denominated in FAMT at a later date.	N/A	Info source: T2S NUG. There are debt securities denominated in UNIT in the French market, securities issued by securisation mutual funds as well as convertible bonds. These limited cases of non-compliance relate to a technical constraint in the CSD system that would not allow decimalisation on these debt instruments. For newly issued securities, Euroclear has confirmed that the technical constraint preventing decimalisation no longer exists for convertible bonds (the vast majority of non-compliant securities), but remains for securities issued by securisation mutual funds. The volumes are low (less than 2% of the ISINs related to debt instruments), and will be decreasing as the French market has started to denominate all newly issued convertible bonds in FAMT (convertibles represented the vast majority of non-compliant securities). New issues of securisation mutual funds will be denominated in FAMT at a later date when a new asset servicing motor (TCS BaNCS) is implemented in Euroclear France to manage these securities.

T2S harmonisation activities: Greece (BOGS)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. T2S ISO messages in operation.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. T2S matching fields in operation.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. No registration information relevant for BOGS ISINs.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. No tax info in T2S messages.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)		B	N/A	N/A	N/A	N/A	Info source: GR NUG. Full compliance with all relevant T2S CA standards (sovereign debt securities).
	Transformations (13 standards)	Fully compliant						
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. BOGs rules in line with T2S SF II.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. BOGs rules in line with T2S SF III.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG, 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. Fully compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. Full compliance with omnibus account availability.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. No restrictions on the use of omnibus accounts.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG. HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	100%	B	N/A	N/A	N/A	N/A	Info source: BSG/E-MIG Survey (Nov 2016). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: GR NUG.

T2S harmonisation activities: Hungary

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. KELER will connect to T2S in U2A mode.
	2. T2S matching fields	Not compliant	R-?	Major technical change	Not available	Not available	KELER	Info source: SP2 and bilateral input. Full plan and implementation dates for full compliance to be confirmed by KELER. The non-compliance is limited to intra-CSD settlements, where KELER will continue to follow its current matching practices in its legacy platform before sending the instructions to T2S in an already matched status. However, due to the Hungarian market's set-up in T2S, in which only against payment instructions in euro will be migrated to T2S, the non-compliance is relevant only for this subset of transactions.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for passing on registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for passing on tax-related information
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	18%	R- Dec 2020	Regulatory/legislative/technical change	Not available	end-2020	KELER, regulator, NUG	Info source: May 2018 CASG gap analysis update. The Hungarian market did not become fully compliant with the T2S market claim standards for equities by the time of its migration in February 2017. Full compliance expected by end 2020.
	Transformations (13 standards)	92%		Major technical/market practice and legal change				
	Buyer protection (18 standards)	100%		Other				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input and NUG response.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No barriers identified.
	14. Restrictions on omnibus accounts	Not compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. No barriers identified.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	N/A	N/A	N/A	N/A	N/A	N/A	At the moment, the Hungarian NCB does not plan to open DCAs in T2S.
Priority 2								
18. Corporate actions	CA market standards (68)	34%	R	Technical change and market practice change for some standards	Not available	Not available	KELER	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUGs survey and bilateral input. Full compliance with the EU standard.

T2S harmonisation activities: Italy

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: IT NUG. T2S ISO messages in operation.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: IT NUG. T2S matching fields in operation.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages do not contain any registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013 and bilateral input. Settlement messages do not contain any tax-related information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2017 CASG gap analysis update and confirmation by the Italian NSG.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. Fully compliant with T2S SF II rule.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: IT NUG. Full compliance with T2S SFIII rule.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No barriers identified.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No barriers identified.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: IT NUG confirmation on compliance with the standard.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013. Bdl already complies fully with T2S standard.
Priority 2								
18. Corporate actions	CA market standards (68)	95%	G	N/A	N/A	No date provided	N/A	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. IT market complies fully with the EU standard.

T2S harmonisation activities: Lithuania

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from the NUG. Settlement messages are not used to transmit registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transmit tax-related information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2018 CASG gap analysis update and bilateral input.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input and NUG Chairperson's response.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input and NUG Chairperson's response. New draft CSD rules were submitted for regulatory approval at the beginning of 2016. No legal/regulatory barriers identified.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No barriers identified.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No barriers identified.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering.
Priority 2								
18. Corporate actions	CA market standards (68)	97%	G	Legal barrier. Market practice change and changes in CSD rules and regulations	Testing readiness will be achieved in Q2 2017	18-Sep-17	LCVPD	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. Fully compliant with the T2S standard.

T2S harmonisation activities: Luxembourg (LUX CSD)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Registration information is not transferred via settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Tax information is not transferred via settlement messages.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	93%	R- Dec 2018	Straight-forward to implement				Info source: May 2018 CASG gap analysis update and additional information provided by the LU NUG. Full compliance with MC Standard 23 is planned for H2 2018.
	Transformations (13 standards)	0%		Straight-forward to implement	N/A	March 2018	LUX CSD	
	Buyer protection (18 standards)	100%		Straight-forward to implement				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. Lux CSD will follow CBF instruction cancellation process.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Survey on T2S settlement finality rule III and NUG response. SFIII is ensured via provisions in Luxembourg public law.
	10. Outsourcing IT (Settlement)	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
	services							
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey on compliance with T2S harmonisation standards, May 2016 and bilateral input from LU NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	95%	Y	Other	Not available	Not available	ABBL	Info source: BSG/E-MIG Survey (Nov 2017).
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: Luxembourg (VP LUX)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: LU NUG bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Registration information is not part of the instruction and information about registration is taken directly from the accounts.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Tax information is directly associated with the account, hence no need to transfer the details in settlement message.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2018 CASG gap analysis update.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. Full compliance with bilateral cancellation after matching.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Survey on T2S settlement finality rule III and NUG response. SFIII is ensured via provisions in Luxembourg public law.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013. System changes are required.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey on compliance with T2S harmonisation standards, May 2016. BCL has fully complied since migration wave 1.
Priority 2								
18. Corporate actions	CA market standards (68)	95%	Y	Other	Not available	Not available	ABBL	Info source: BSG/E-MIG Survey (Nov 2017).
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: Latvia

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input and quarterly self assessment. Latvian CSD plans to comply fully by migration date.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Source: XMAP Survey 2015 and further bilateral clarification from the NUG on adaptation of initial register transactions according to T2S matching specifications.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input. Registration information is not passed on through settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Source: bilateral input. Tax-related information is not passed on through settlement messages.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2018 CASG gap analysis update and bilateral input.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: LV NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG. There are no restrictions rules regarding omnibus accounts in the Latvian CSD.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	81%	G	Major technical change	Q2 2017	18-Sep-17	Latvia CSD	Info source: BSG/E-MIG Survey (Nov 2017).The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Source: LV NUG.

T2S harmonisation activities: Malta

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. T2S ISO messages in operation.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. T2S matching fields in operation.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. No registration info in T2S messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. No tax info in T2S messages.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)			N/A				Info source: May 2018 CASG gap analysis update.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)			N/A				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. CSD rules in line with T2S SF II.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. CSD rules in line with T2S SF III.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. Fully compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. Full compliance with omnibus account availability.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. No restrictions on the use of omnibus accounts.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: MT NUG. Confirmation from the NUG received post-migration to T2S.
Priority 2								
18. Corporate actions	CA market standards (68)	74%	G	Other	Not available	Not available	MSE	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: The Netherlands

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. Plans and dates for full compliance have been provided.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input. Plans and dates for full compliance have been provided.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. There are no registered securities in the Netherlands. Registration information is not transmitted via settlement messages.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used to transmit tax-related information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	96%	R-?	Major technical change				Info source: May 2018 CASG gap analysis report and further NUG clarification. Transformation Standard 9 on mandatory reorganisation without options for which no implementation date has been defined.
	Transformations (13 standards)	92%		Major technical change	Q4 2017	Not available	NL-MIG	
	Buyer protection (18 standards)	100%		N/A				
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input. EoC ESES already complies with bilateral cancellation after matching.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2 and bilateral input.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)		If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013. T2S NUG survey and bilateral input.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: List of cash and securities side DCPs as published by DCPG and further confirmation from the NL NUG.
Priority 2								
18. Corporate actions	CA market standards (68)	91%	G	Major technical change and market practice change	N/A	Q1 2018	Euroclear	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards. Final implementation was expected with Euroclear launch of Stream 6 on 19 March 2018.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.

T2S harmonisation activities: Portugal (Interbolsa)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input and quarterly status gathering templates.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input and quarterly status gathering templates.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. No registration details are sent via settlement instructions.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013 and further bilateral clarifications. Tax-related information is not passed on when sending settlement instructions.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2018 CASG gap analysis update and bilateral input.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: PT NUG. Full compliance with T2S SF II rule.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: PT NUG. Full compliance with T2S SF III rule.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. Omnibus accounts are available.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG discussions (Feb 2015). There are no restrictions on the omnibus accounts that need to be propagated down the settlement chain.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013.
Priority 2								
18. Corporate actions	CA market standards (68)	Not compliant	R-No Info	N/A	N/A	N/A	N/A	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics not updated, still based on the 129 CAJWG prioritised standards.
		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG. Full compliance following migration.
23. Securities amount static data								

T2S harmonisation activities: Romania

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: NUG and bilateral exchanges. A2A connectivity mode reached on 17 January 2017.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)		B					Info source: May 2018 CASG gap analysis update.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)		B					
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Confirmation from the NUG received post-migration to T2S.
Priority 2								
18. Corporate actions	CA market standards (68)	88%	G	Market practice as well as regulatory changes	Testing readiness achieved	No fixed date provided	CSD, Regulator, NCB	Info source: BSG/E-MIG Survey (Nov 2017). The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input. No issues with securities amount data in Romania.

T2S harmonisation activities: Slovenia

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and bilateral input.
	2. T2S matching fields	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG bilateral input.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of registration information.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of tax information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)							Info source: May 2018 CASG gap analysis update.
	Transformations (13 standards)	Fully compliant	B	N/A	N/A	N/A	N/A	
	Buyer protection (18 standards)							
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2, status gathering templates Q2 2013 and bilateral input.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG surveys 2011 and 2012, SP2, status gathering templates Q2 2013 and bilateral input.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013, Q2 2013 status gathering template.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013.
Priority 2								
18. Corporate actions	CA market standards (68)	100%	B	N/A	N/A	N/A	KDD/national legislators and regulators	Info source: BSG/E-MIG Survey (Nov 2017).The EMIG provided statistics are based on the 129 CAJWG prioritised standards.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Q2 2013 status gathering template.

T2S harmonisation activities: Slovakia (CDCP)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SP2 and T2S NUG bilateral input.
	2. T2S matching fields	Not compliant	R-?	Market practice change	Not available	Not available	N/A	Info source: XMAP survey 2015. Transaction code is a mandatory matching field in order to prevent incorrect intra-CSD matching of e.g. ordinary OTC trade with securities transfer stemming from inheritance, matching of instruction with available securities with instruction with pledged securities, etc. This is applicable to all transactions matched in the legacy system, since it is a mandatory matching field. The impact of non-compliance of the SK market to the rest of the T2S community was assessed by the MIB in March 2016 as low. There are ongoing discussions in the SK market to define a plan in order to achieve full compliance.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S HSG surveys 2013. Settlement messages are not used for transmission of tax information.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	100%	R-Sep 2018	Major technical changes	N/A	September 2018	N/A	Info source: May 2018 CASG gap analysis update and bilateral input from SK NUG. SK (CDPC) is not compliant with the buyer protection standard.
	Transformations (13 standards)	100%						
	Buyer protection (18 standards)	94%						
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	N/A	N/A	N/A	N/A	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Status gathering templates and T2S NUG.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Status gathering templates and T2S NUG.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: 2014 HSG survey on IT outsourcing. With the CSDR now being law, no barriers to outsourcing to public entities remain.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG survey and bilateral input.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: T2S NUG bilateral input.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S securities account numbering, April-May 2013.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: HSG survey on T2S DCA numbering, April-May 2013. NCB plans full compliance. Dates are provided.
Priority 2								
18. Corporate actions	CA market standards (68)	Not compliant	R	Changes in the CSD rules, market practice changes and IT changes	Not available	Not available	SK market, CDCP, regulators (approval of amended CDCP rules)	Info source: No data received in Nov 2017.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	CDCP	Info source: T2S NUG input. Legislative change has already taken place.

T2S harmonisation activities: Slovakia (NCDPCP)

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
Priority 1								
T2S messages	1. T2S ISO 20022 messages	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
	2. T2S matching fields	Not compliant	R-?	Market practice	Not available	Not available	N/A	Info source: SK NSG, ongoing non-compliance impact assessment.
	3. Interaction for registration	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
	4. Interaction for tax info	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
5. T2S schedule of settlement day		N/A	Blank	N/A	N/A	N/A	N/A	In line with the T2S community needs, the AMI-SeCo supported the adaptation of the T2S calendar as of 2019 based on the principle that T2S should be open when any of the T2S settlement currency RTGS are open. As the Danish Kroner will join the euro as the second T2S settlement currency in October 2018 this will mean that T2S will be closed on Good Friday and Easter Monday but open on 1 May as of 2019. Compliance by T2S markets with the standard on the T2S calendar is to be reassessed once the new T2S calendar is implemented.
6. Corporate actions T2S CA standards (59)	Market claims (28 standards)	68%	R-2019					
	Transformations (13 standards)	Not compliant		Market practice	Not available	2019	N/A	Info source: May 2018 CASG gap analysis update and SK NSG, ongoing non-compliance impact assessment. Full compliance is planned for 2019.
	Buyer protection (18 standards)	Not compliant						
Legal harmonisation	7. Settlement finality I: moment of entry	Fully compliant	B	Straight-forward to implement	N/A	N/A	CSD	Full compliance achieved in March 2018 with the completion of the collective agreement.
	8. Settlement Finality II: irrevocability and enforceability transfer order	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
	9. Settlement Finality III: irrevocability of securities transfers	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
	10. Outsourcing IT (Settlement) services	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: CSDR (2014), AG agreed to assign a blue compliance status to all T2S markets and thus to the harmonization activity itself - no obstacles were defined.
12. Settlement cycles		Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG. Compliant since 6 October 2014.

Activity	Sub-activity	Compliance	Status	Type of implementation gap	Implementation plan/date If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.		Implementation actor(s)	Further comments
		Indicates level of compliance with the relevant standards/rules	Green (G), yellow (Y), red (R), blue (B)	If the standards/rules are not yet implemented, please specify what the type of gap is	Ready for T2S testing	Fully operational according to the T2S standard	Relevant national actors for implementation	
CSD account structures	13. Availability of omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
	14. Restrictions on omnibus accounts	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
T2S accounts numbering	15. Securities account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
	16. Dedicated cash account numbering	Fully compliant	B	N/A	N/A	N/A	N/A	Info source: SK NSG.
Priority 2								
18. Corporate actions	CA market standards (68)	Not compliant	R	Market practice	Not available	Not available	SK capital market and its participants, NCDPC	Info source: No data received in Nov 2017.
23. Securities amount static data		Fully compliant	B	N/A	N/A	N/A	CDCP	Info source: SK NSG. Legislative change has already taken place.

Annex 3

Impact assessment of non-compliance

Impact assessment of non-compliance is published separately on the ECB website.⁵⁸

⁵⁸ <https://www.ecb.europa.eu/paym/intro/governance/html/index.en.html> .

Annex 4

Methodology

The following methodology is expected to be used by the AMI-SeCo when assessing and presenting progress on harmonisation activities.

Harmonisation activities

A harmonisation activity is a task or a workstream that must be completed to remove a barrier to smooth cross-CSD settlement in T2S markets. Some activities are grouped under broader areas.

Example:

Area: *Legal harmonisation*

Activities: *SF I, SF II, SF III, outsourcing, conflict of laws*

Grouping of harmonisation of activities

The AMI-SeCo agreed to re-label the existing groups of activities in the T2S harmonisation work as outlined below.

Former priority 1 activities would be labelled “Core T2S settlement harmonisation (Core T2S)”. *These are the activities necessary to ensure efficient and safe cross-CSD settlement in T2S. The HSG and the ECB team should view the resolution and implementation of these activities as the top priority before the markets’ migration to T2S.*

Former priority 2 activities would be labelled “Harmonisation of post-trade environment of securities settlement (Post-trade environment)”. *These activities are not essential to ensuring safe and efficient cross-CSD settlement in T2S, although they are essential for enhancing the competitive environment and the efficiency of T2S.*

Harmonisation phases

The three harmonisation processes/phases for each activity in the T2S harmonisation list remain: definition, monitoring and implementation. Each of these phases corresponds to a different aim/question.

Definition: This refers to the T2S (or, where relevant, wider European) standards/rules definition process. What are the standards and who is responsible for defining and endorsing them?

Monitoring: What is the monitoring framework and who are the actors responsible for monitoring T2S markets' compliance with the harmonisation standards/rules?

Implementation: This phase/process refers to the T2S markets' compliance with the relevant harmonisation standards. What is the process, and who ultimately needs to implement changes and adapt to the harmonisation standards/rules? What is the implementation status for each T2S market?

Responsible actors

For each process/phase, clearly defined responsible actors and concrete deadlines are proposed.

- Definition actors: entities responsible for defining the standard (e.g. the AMI-SeCo supported by HSG/CASG for the T2S corporate actions standards, EU or national authorities for withholding tax procedures, CAJWG for corporate actions market standards).
- Monitoring actors: entities responsible for monitoring compliance of T2S markets with the standard (e.g. the AMI-SeCo supported by HSG/CASG for the T2S corporate actions standards, E-MIG for the corporate actions market standards).
- Implementation actors: entities responsible for ultimately implementing changes and adapting to the standard (e.g. CSDs, their participants and perhaps regulators for some T2S corporate actions standards).

Dates

A deadline for completion is set for each phase. For markets that are in the process of migrating to T2S, the deadline for compliance coincides with the migration date. However, for most technical standards in the group "Core T2S settlement harmonisation", T2S markets/CSDs must be able to participate in the interoperability testing phase, abiding by the agreed rules and standards in the test environment.

T2S markets wishing to join T2S continue to be expected to fully comply with all defined and monitored standards.

Status assessment

A specific colour, based on a four-colour scheme, is displayed in the status update dashboard to reflect the progress made in each process (definition, monitoring and compliance). These colours/statuses are agreed at AMI-SeCo level, based on the proposals of the HSG (and the input of the NSGs, CSDs and other reporting actors).

For standards in the group "Core T2S settlement harmonisation":

- for markets that have already migrated only blue (fully compliant) or red (not compliant) statuses will be used for assessment of compliance. Red statuses will indicate if a plan exists to ensure full compliance showing the targeted date by the respective T2S market.
- for new markets migrating to T2S, the four-colour traffic light scheme will continue to be used to assess their pre-migration harmonisation status and progress.

For standards in the group “Harmonisation of post-trade environment of securities settlement” the four-colour traffic light scheme will be applied.

Table 7
Colour methodology in the different harmonisation processes

Colour	Description
Blue	<p style="text-align: center;">Compliance</p> <p>The market has achieved full compliance with the harmonisation standard.</p> <p>For technical standards (e.g. T2S ISO messages), this means that the T2S market is already operating in compliance with the standard.</p> <p>For regulatory/legal standards (e.g. T2S settlement finality rules), this means that the relevant regulation/legislation is already in place.</p> <p style="text-align: center;">Further monitoring of the T2S market is no longer required.</p>
Green	<p style="text-align: center;">Definition</p> <p>The relevant stakeholder bodies (inside or outside T2S) have defined and agreed/endorsed the standards for the harmonisation activity.</p> <p style="text-align: center;">Monitoring</p> <p>The monitoring actors (inside or outside T2S) have defined and implemented a framework for monitoring and reporting progress on the T2S markets' compliance with the harmonisation standard. The T2S markets report regularly to the responsible stakeholder bodies.</p> <p style="text-align: center;">Compliance</p> <p>Changes are still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard, although no obstacles have been identified to achieving full compliance by the deadline.</p> <p style="text-align: center;">and</p> <p>The market has established a clear/detailed plan for implementing the harmonisation standard and has publicly announced deadlines for full implementation.</p> <p style="text-align: center;">Further monitoring of the T2S market is required.</p>
Yellow	<p style="text-align: center;">Definition</p> <p>Issues are still open with regard to the definition and agreement of the standards for the harmonisation activity by the relevant stakeholder bodies (inside or outside T2S). However, stakeholders have agreed a roadmap, as well as an approach for resolving pending issues, in order to reach agreement on the standard.</p> <p style="text-align: center;">Monitoring</p> <p>The monitoring actors (inside or outside T2S) have defined and implemented a framework for monitoring and reporting progress on the T2S markets' compliance with the harmonisation standard. The T2S markets report to the monitoring bodies, although not regularly.</p> <p style="text-align: center;">Compliance</p> <p>Changes are still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with a given harmonisation standard, although obstacles have been identified which may threaten the achievement of full compliance by the deadline.</p> <p style="text-align: center;">or</p> <p>The T2S market has issued a statement declaring that it will implement the standard, although it has not yet committed to concrete and publicly announced dates for the implementation.</p> <p style="text-align: center;">Further monitoring of the T2S market is required.</p>
Red	<p style="text-align: center;">Definition</p> <p>Relevant stakeholder bodies (inside or outside T2S) have not reached agreement on the definition of the standard and stakeholders have not agreed a roadmap or an approach for achieving agreement on the standard. Stakeholders have not agreed a formal plan for achieving compliance with the standards.</p> <p style="text-align: center;">Monitoring</p> <p>The monitoring stakeholders have not defined and/or have not implemented a framework for monitoring and reporting progress on the T2S markets' compliance with the harmonisation standard.</p> <p style="text-align: center;">Compliance</p> <p>The T2S market has not provided any information on its level of compliance with the standard.</p> <p style="text-align: center;">or</p> <p>The T2S market has decided not to (fully) comply with the standard.</p> <p style="text-align: center;">or</p> <p>Changes are still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard and obstacles have been identified that have halted the implementation plan for the market and/or will prevent its full implementation by the deadline.</p> <p style="text-align: center;">Further monitoring of the T2S market is required.</p>
X or N/A	Process not yet started or not assessed for other reasons

AMI-SeCo monitoring methodology

The AMI-SeCo only monitors T2S harmonisation activities for which the definition process is complete, i.e. a standard/rule/agreement has been defined and endorsed by the relevant actors. The definition may come from the AMI-SeCo (e.g. T2S corporate actions standards) or from EU authorities (e.g. the CSDR), although the AMI-SeCo ultimately endorses all T2S harmonisation standards. The AMI-SeCo monitoring process, for a specific standard and all T2S markets, is only launched afterwards.

Once the definition process is complete (i.e. the AMI-SeCo has endorsed it and assigned green status to the activity), the HSG – with the help of the ECB team – launches the monitoring process. The ECB team acts as the contact point or secretariat in this process. For some activities, this monitoring may be launched by external parties (e.g. the E-MIG for the corporate actions market standards). The primary source of information on compliance statuses at individual T2S market level are the (self-) assessments performed by the respective NSG. The ECB team will call on all T2S markets with remaining non-compliant statuses to provide input in order to update the assessments of compliance before each HSG/AMI-SeCo meeting in order to give an up-to-date view to HSG/AMI-SeCo members. On standards and markets which are already assessed as fully compliant (blue), the respective NSGs would be responsible for informing the ECB team (and, via the ECB team, the HSG/AMI-SeCo) if they believe there is any deterioration in the assessment (i.e. NSGs confirm that the blue status remains valid and unchanged by not providing information). The AMI-SeCo aims to publish one annual report on the progress of harmonisation at the end of the calendar year. In the future, the overview table of T2S markets' compliance on the ECB's website would be updated (if any changes are made) after each AMI-SeCo meeting.

With regards to the assessment of the impact of non-compliance, barring special circumstances, the impact assessments will be updated in parallel with the annual harmonisation progress report and presented as part of this report at the end of the calendar year (draft to be approved in last AMI-SeCo meeting of the calendar year). Any proposed changes (delta) in the impact assessments during the year will be brought to the attention of the AMI-SeCo as part of the regular harmonisation update for the AMI-SeCo in each AMI-SeCo meeting.

© **European Central Bank, 2018**

Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
Website www.ecb.europa.eu

All rights reserved. Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.

For specific terminology please refer to the [ECB glossary](#).

PDF ISBN 987-92-899-3649-1, doi:10.2866/607970, QB-04-18-805-EN-N