

## Minutes of the 2<sup>nd</sup> User Committee Meeting 04-03-2013

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### Attendance:

*Chairman:* Bart Baudewyn (BNP Paribas Fortis)

*Members:* Gabriëlle Montville (BDA), Olivier De Bruyn (KBC), Pieter Samyn (ING), Katia Depuydt (Euroclear), Warren Thorsen (Citibank), Jean-Paul Rousseau (Febelfin), Luc Goosens (Belfius), Gil Vanden Broeck (BNP Paribas Securities Services).

*Secretary:* David Rubens (NBB-SSS)

*NBB-SSS:* Luc Janssens, Marc Lejoly

### **Introduction**

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- Welcoming
- Approval of minutes of last UC meeting

### **1. NBB-SSS Facts and figures**

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*Link to presentations* [New Issuances and Maturity](#) + [Settlement Ratio](#)

- Settlement volumes: decrease of transaction amounts (not a trend in other CSDs) and rise in the number of transactions.  
Remark: maybe because of an increase in the number of FoP transactions (for collateral purposes).
- Issuance activity  
Outstanding amount = ± 550 Billion Euro ( ± B€ 350 Belgian government debt and ± B€ 200 other).
- Settlement ratio  
Very high settlement ratio.  
Reporting to ESMA. Same calculation method as used by other CSDs, so the figures can be compared.  
Settlement ratio is calculated on the number of transactions, instead of on cash.

### **2. Incident reporting**

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- Overview of technical problems
- Discussion  
Q: Is there a contingency procedure for problems around closing time?  
A: Yes  
Q2: Since your target uptime is 99,99%, are you still investing in the system to reach that target (maybe you see it as pointless, since the new system will be used in 2014).  
A2: Yes, we keep investing. The SLAs (internal) have to be kept, regardless of the system's architecture.

### **3. T2S - NBB-SSS Adaptation plan status**

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*Link to presentation* [Market Evolution](#)

- Market evolution  
Q: Why does BoNY Mellon want to become a CSD?  
A: for their funds activities  
BoNY Mellon could still join T2S (release 1), if they sign before the end of April.  
Q2: You mention a possible T2S price increase from 2019. Are the prices fixed before 2018?  
A2: Yes.

- Migration waves

NBB (cash) needs to be ready for Wave 1 (to provide cash for transactions stemming from the link between Euroclear Bank and Monte Titoli after their migration).

Change Request 389: Transaction (matching) reference will be delivered to the CSDs by T2S. The CSDs can in turn pass this information to their participants.

The number of Market Specific Attributes (MSAs) is now limited to 5. The CSDs asked via a Change Request to increase the number of MSAs. This is still subject to negotiations. The outcome will be important to meet synchronization point 3.

NBB-SSS has currently 2 'yellows' and 1 'red'.

Yellow 1: Settlement day: Risk of not enough time between close of day and start of the next day.

Yellow 2: Corporate Action standards: this will be OK when we migrate to Ramses in 2014.

Red 'no info': small administrative issue (non-issue really). Will be green next time.

CSD Regulation: Need for T+2 (proposal Febelfin: start September next year)

This is not an NBB-SSS issue (we can do T+0), but the responsibility of the trading parties.

There seems to be an issue for funds

T+1 is not feasible from an operational perspective

Q: is there a Settlement Finality issue?

A: Indeed. This has not yet been thoroughly investigated in T2S.

- Progress with Montran

Link to presentation [Ramses 02.2013](#)

Ramses should have the highest level of security (both for internal as for external users) via a USB token.

ESCB: Banca de Espana has such a system in place.

For the hardware (USB e-tokens), an RFP will have to be launched. This is however not a problem for the testing, since the Belgian ID-card will be used in the mean time.

- Specific questions raised by the User Committee members

- Test planning (KBC proposal - [Link to presentation](#))

Proposal for a breakdown of the testing period.

NBB-SSS agrees and would like to add connectivity test in January 2014

+ distribution of e-tokens (maybe already by the end of 2013)

+ additional migration test (September 2014) mandatory

Remark: migration tests will be done in another test environment.

=> We will amend the next version of the adaptation plan accordingly.

- Repo instructions (BNPPFortis proposal - [Link to presentation](#))

Q to the market: will everyone keep automated matching? (This can only be achieved if NBB-SSS offers no alternative.)

In T2S: use of CTR (Common Trade Reference) for Repo's to avoid cross-matching.

=> To be discussed later

#### 4. Participant readiness monitoring

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See document "[NBB-SSS Client readiness monitoring](#)"

Q: Synchronisation Point (SP) 3 'messages ready?' before point 4 'ICP/DCP?' seems weird.

A: SP 3 refers to Phase 1, whereas SP 4 refers to Phase 2.

There is still some discussion on the definition of DCP (GUI or SWIFT?). More info later.

#### 5. Miscellaneous

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- Bank guarantee system (Belfius proposal - [Link to presentation](#))

Possible option: collateral split-up between 'monetary policy' and 'other'

Q: When will there be a decision on this?

A: This is the responsibility of the Back Office of the NBB (BX). => Check with BX.

- Credit and collateral (Belfius)

=> Check with BX.

#### 6. Lunch - dining rooms

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Next meeting: Monday the 2 <sup>nd</sup> of September 2013
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