

Communication by the NBB-SSS User Committee

Date: 6 October 2014

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Introduction

The NBB-SSS has published on Sharepoint the outcome of its market consultation on the accounts set-up for the Ramses production environment from 1 December 2014. This outcome includes the intended use of the new feature Market Claim indicator by the NBB-SSS participants. The outcome shows a 50/50 split in participants' preferences for the Market Claims feature.

Market Claims

The concept, application rules and introduction of a Market Claim indicator in the NBB-SSS from phase 1 of the Ramses project follows the T2S development of this feature. For detailed information, please refer to the NBB-SSS Adaptation Plan section 7.2 "Market Claims" and section 7.3 "Transformations". The NBB-SSS has achieved readiness in Ramses from 1 December 2014 for the T2S compliant feature Market Claims and Transformations.

The current participants' static data set-up at account level is approx. 50/50 for the MC indicator, either in favour of MC generation either in favour of NOMC (never market claim).

As the MC indicator is a matching criterion, the lack of a shared static data set-up will lead to a high number of unmatched instructions from the Ramses go-live at 1 December 2014.

The User Committee observes that, currently,

- there is no shared market practice nor preference in the NBB-SSS community for Market Claims and Transformations, resulting in a non-readiness as a community.
- there is no harmonization in the T2S-wide community either. Hence, even a NBB-SSS market practice does not guarantee cross-CSD settlement efficiency and the issue should be addressed not only in NBB-SSS Ramses but in T2S as well.

Conclusions

1. The User Committee strongly recommends that the NBB-SSS operator sets the MC indicator to NOMC (never market claim) as static data in the Ramses test and production environments for all accounts by all participants at 8 October 2014.

- o The User Committee expects agreement from all participants in pursuit of maximum settlement efficiency in NBB-SSS Ramses. In case a participant does not agree with this community-wide shared account set-up, the participant needs to inform the NBB-SSS by e-mail to t2s.sss@nbb.be by 15 October 2014 at the latest.
2. The User Committee confirms that community readiness for Market Claims and Transformations should be reached by 28 March 2016 at the latest, i.e. date of migration of the matching and settlement services from NBB-SSS to the TARGET2 Securities platform, in order to reach T2S compliance. This point will be discussed further at the next User Committee Meeting.
 3. The User Committee asks the NBB-SSS to address this topic at the upcoming 11th info session at 14 November 2014.
 4. Finally, the User Committee asks from NBB-SSS community members who participate in T2S forums to raise awareness for the need for cross-CSD harmonization for Market Claims at T2S level.

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