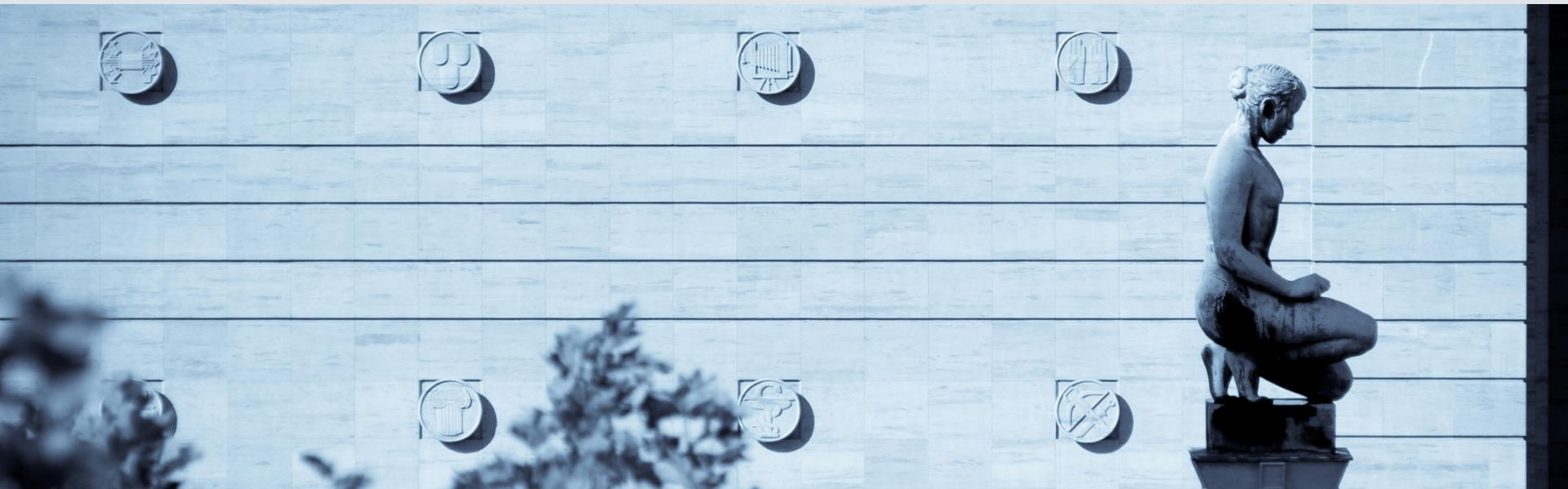


Pricing

Brussels 03/09/2018 13th User Committee



Agenda

- ▶ T2S pricing
- ▶ NBB-SSS pricing



T2S pricing (1/2)

▶ AmiSeCo :

- Advisory Group on Market Infrastructures for Securities and Collateral
- Meeting on pricing 17/05/2018
- NBB-SSS User Committee debriefed by e-mail on 29/05/2018
 - Outcome AmiSeCo meeting 17/05/2018
 - ◆ T2S price structure based on cost recovery approach
 - ◆ Delayed migration led to higher costs and less revenues
 - ◆ Ambition not to change prices frequently
 - ◆ Volumes may impact prices upwards or downwards
 - ◆ Other element (e.g. cyber resilience costs, T2/T2S consolidation savings) are based on improvements already decided for implementation.



T2S pricing (2/2)

- ▶ AmiSeCo advice was approved by Governing Council on 21/6/2018: start new fees on 1/1/2019

<https://www.ecb.europa.eu/paym/t2s/pricing/list/html/index.en.html>

- Content:

- ◆ No change in pricing structure
- ◆ Extending cost recovery period to 14,5 years
- ◆ Volume starting point 128,5 Mio INX in 2017, estimated growth +3,4% p.a. 2018-2022, + 3,7% p.a. as from 2023
- ◆ Estimated DVP price after cost recovery: 0,05 €/INX
- ◆ Current DVP price: 0,15 €/INX or 15 ct
- ◆ DVP price proposal: 15 ct + 1,2 ct cyber resilience + 0,8 ct delayed migration revenues + 2,5 ct delayed migration cost and T2-T2S consolidation synergies + 4 ct for lower volumes than anticipated (in « volumetric assumptions » by market pre-T2S) = 23,5 ct
- ◆ All % expressed prices will rise to the same extent



NBB-SSS pricing (1/4)

▶ Impact of T2S monthly invoice on NBB-SSS

- 50% of the T2S invoice to NBB-SSS are % expressed fees and subject to T2S pricing increase
- New fee structure :
 - INX :
 - ◆ 85 ct to 95 ct from 1/1/2019 to absorb the T2S price increase
 - ◆ AC, REAL unchanged at 50 ct



NBB-SSS pricing (2/4)

▶ Migration ISO20022

- Timing:
 - » T2S Release 3.0: 7 June 2019, adaptation T2S messages to ISO20022 “2017 standard”
 - » NBB-SSS must check translation ISO15022
 - » T2S/T2 consolidation 11/2021
 - » TARGET2 full ISO20022 as already in T2S
 - » ECMS production 11/2022
- Impact on NBB-SSS pricing of sending/receiving in ISO15022 (per message) to ensure the translation service during the migration
 - » Info session Q4/2018: “re-announce” migration
 - » 01/11/2020: translation service 5 ct
 - » 01/11/2021: translation service 10 ct



NBB-SSS pricing (3/4)

■ Example of translation service:

- ◆ New INX:
 - » Participant sends MT540 to NBB-SSS
 - » NBB-SSS translates into sese.023 and sends to T2S
- ◆ Transaction status:
 - » T2S sends sese.024 to NBB-SSS
 - » NBB-SSS translates and sends MT548 to Participant
- ◆ Transaction confirmation:
 - » T2S sends sese.025 to NBB-SSS
 - » NBB-SSS translates and sends MT544/MT545 to Participant
- ◆ Allegement:
 - » T2S sends sese.028 to NBB-SSS
 - » NBB-SSS translates and sends MT578 to Participant

5ct

x 5ct

5ct

2 x 5ct



NBB-SSS pricing (4/4)

- ▶ New version T&C v. 1/3/2019 approved by NBB Board on 21/8/2018
 - INX :
 - 85 ct to 95 ct from 1/1/2019
 - AC, REAL unchanged at 50 ct
 - Translation service ISO15022 to ISO20022
 - 01/11/2020: translation service 5 ct
 - 01/11/2021: translation service 10 ct
 - Shipping tokens: 100 EUR, shipping delivery mode decided by NBB-SSS
 - Raising cap of issuance program during duration: 250 EUR
 - Thesaurry- and depositocertificates: 1.000 EUR (like bonds)
 - No change in price Global Note (1.500 EUR) and Bondfactor (2.750 Eur)
- ▶ New fee: Art. 8.1.8:
 - “The fee structure as described in Article 8.1. may be unilaterally adjusted at any time by the NBB-SSS, however subject to the prior, non-binding, consultation of the NBB-SSS User Committee about the proposal of the new fee structure and sending of a prior notice to all Participants at least three months before the entry into force of the new fees. Adjustments to the fee structure can be incurred by changes in the T2S fee structure, by investment or running costs by the NBB-SSS, by a significant change in participants’ behaviour which would have a relevant impact on the NBB-SSS revenues, by necessary changes in architecture, or other.”

