

President Draghi, Governor Visco, Peter, colleagues and Jean-Michel.
Ladies and Gentlemen,

Since the start of what was then only an idea and not yet an actual project, the NBB has always been a strong believer in T2S, as we see it as a major driver behind the objective of completing a "single European financial market", through the harmonisation of the post-trade services.

The centralisation of matching and settlement in one pan-European system will result in economies of scale, harmonisation gains and a dramatic increase in cross-border settlement efficiency.

T2S is a necessary but insufficient condition for attaining this single financial market, but we think it could create genuine momentum for the removal of the remaining obstacles (on the taxation or company law fronts for instance) and thus help break down the so-called Giovannini barriers.

By introducing a direct connectivity solution, T2S will enable the European players on the market to not only streamline their processes but also to save on cash and collateral. Furthermore, as central bankers, we pay extra attention to the way DVP operations have their cash legs better integrated, through:

- 1) settlement improvement, by using for example auto-collateralisation and dedicated cash accounts for different CSDs;
- 2) streamlining bank treasurers' back-office dashboards.

For the NBB-Securities Settlement System, T2S has offered another opportunity. We knew that our own CSD-operating software had to be entirely redesigned and developed. We have taken advantage of this requirement to help develop by end-2014 - no more than one year before the actual T2S start-up - software that is already compliant with most of the new functionalities provided for the T2S.

We think this approach offers two major assets:

- 1) the process of adapting to T2S will be spread over a longer period of time - mitigating the operational risk associated with a shorter - big bang - migration. We therefore think that the quality and the stability of the tested features should be higher;
- 2) we will make an earlier start on the harmonisation process, to the benefit of our participants.

Of course, this approach implies earlier preparation for our participants than what would have been expected in the event of migration in the first quarter of 2016 only. That's the reason why we have already organised an awareness meeting in April, an initiative that came at the right moment to help bankers starting the necessary preparations and investments to be ready on time.

To conclude, I would say that the most important outcome expected from today's signature for our participants is to give them a clear signal regarding the way ahead for post-trade harmonisation, by showing them the NBB is fully committed to T2S and will do whatever is needed to be ready on time.

Furthermore, we are resolved to working under a two-step strategy that will enable our participants to reap some of the T2S benefits sooner than expected.

Thank you.