

SUMMARY OF THE 9th MEETING OF THE T2S DCP GROUP (DCPG)

Held in Frankfurt at the New ECB premises on 29 May 2015

0. Welcome and approval of the agenda

Mr Topa (Chairperson) welcomed the participants and the participants approved the agenda for the meeting.

1. Debriefing from the T2S Board and CSG meeting

Mehdi Manaa, T2S Programme Manager, debriefed the DCPG about the outcome of the T2S Board that took place on 28 May and the CSG meeting that took place the next day, 29 May 2015.

The T2S Board was informed that the testing is progressing well and is in line with the schedule. The two deployed releases of 8 and 22 May substantially improved the stability of T2S, removing almost entirely the previous issues with the GUI performance, issues with auto-collateralisation, interaction between TARGET2 and T2S and the reconciliation reporting. The improvements were confirmed also by the relevant actors involved in the testing process. Nevertheless, the Italian market expressed several concerns as this stabilisation is coming only few weeks before the migration, giving to them insufficient time to resolve the outstanding issues and to complete all planned testing activities. Based on this, the T2S Board considered several options for further investigation regarding the migration of wave 1 including, as a possible alternative to the current migration plan, a two phase migration for wave 1 which would give Monte Titoli and the Italian community more time to prepare..

The remaining 4 CSDs from wave 1 confirmed their green status and their readiness to migrate to T2S on 22 June 2015.

During the CSG meeting three options were discussed, i.e.:

- All markets of T2S migration wave 1 (Italy, Switzerland, Greece, Malta, Romania) go simultaneously live as planned so far on 22 June 2015. This scenario is the current plan and hence does not require

any further analysis or assessment. The CSG expressed clearly its preference for this option as it does not have any impact on other migrating participants.

- The playbook of T2S migration wave 1 is amended (without any change to the composition of migration wave 1 as such), where the markets of Switzerland, Greece, Malta and Romania migrate to T2S as planned on 22 June 2015 and the Italian market migrates shortly after, but not later than the first week of September 2015. This would be the latest time by when the Italian market could migrate, as a later migration could be problematic and impactful on other markets.
- The composition of T2S migration wave 1 is altered whereby only the markets of Switzerland, Greece, Malta and Romania migrate to T2S as planned on 22 June 2015 but the Italian market migrates to T2S in the contingency wave after the last regular migration wave (this option is envisaged also by the T2S Framework Agreement).

The CSG is planning to finally assess the position of the Italian market at its next regular meeting on 11 June 2015. Therefore the CSG should receive at the soonest all relevant information from Italy regarding the preferred approach/option, so that all CSDs and the ECB would have time to analyse potential impact on themselves and on their communities. In this respect the CSG also asked for feedback from DCPs and DCA Holders about the impact of these alternative options on them. Based on this CSG request, Marcello Topa invited the DCPG members to preliminarily assess by 4 June 2015 what is the impact/constraints for them if the Monte Titoli/Italian market would migrate to T2S later than 22 June 2015 but at the latest by early September 2015.

2. Any Other Business

No further issues for discussions were raised by the participants.

3. Future DCPG meetings

Due to a need to provide an impact assessment on the different migration options, there will be a conference call on 5 June 2015 in order to discuss the feedbacks received from the DCPs. The next physical meeting of the DCPG will take place in the afternoon of 10 June, the day before the next CSG meeting scheduled for 11 June 2015.