

T2S

A core component of Europe's future post-trade infrastructure

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Why does Europe need T2S?

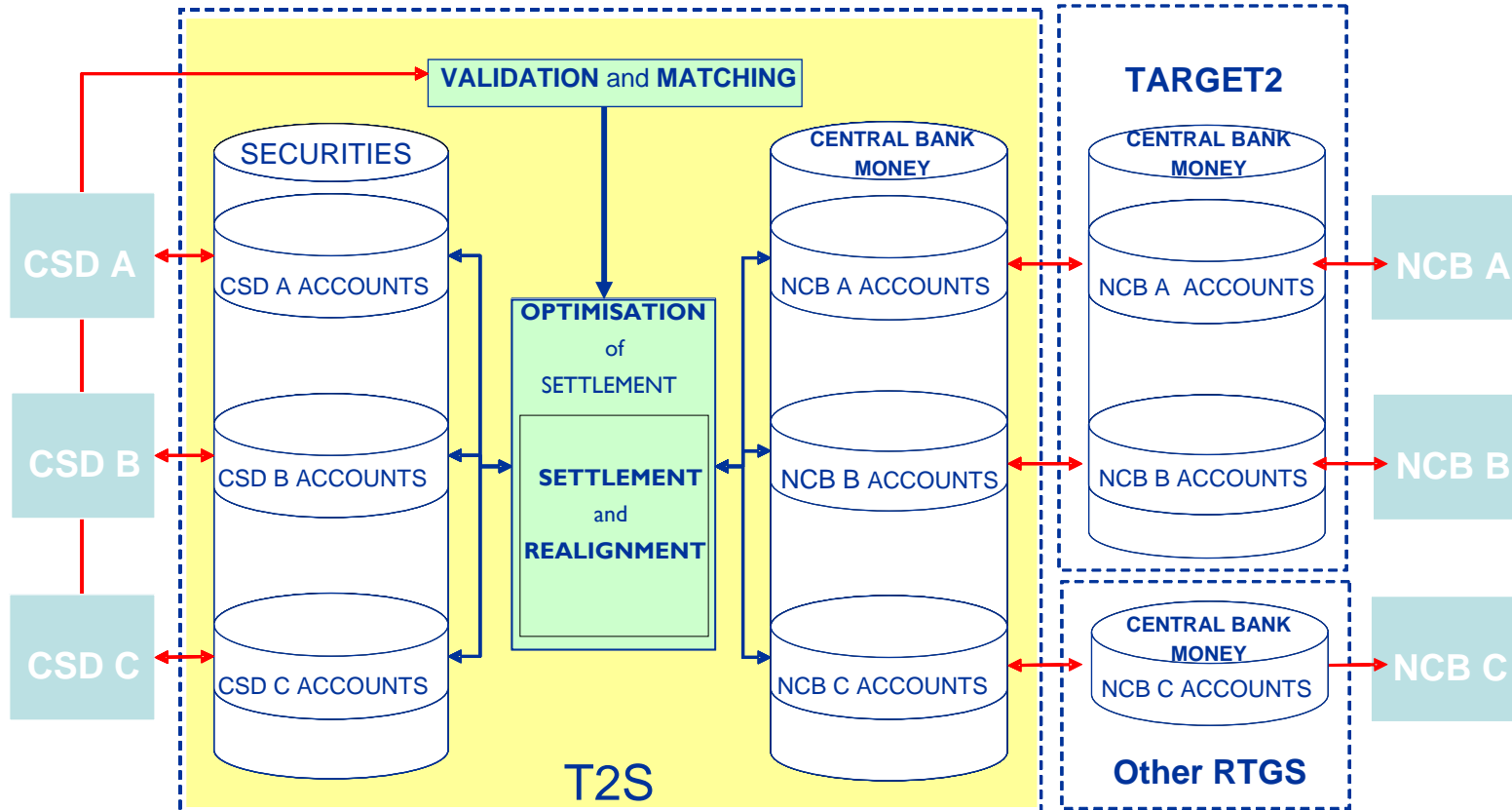
- Europe's securities markets are too fragmented and inefficient.
- Lack of competition in services related to settlement
- Europe needs a single pool of securities to stimulate competition and harmonisation.
- There is no other realistic Europe-wide approach to creating this single pool.

**Making Europe a better place to invest and trade
(in line with the Lisbon agenda)**

What is T2S? – A new concept

- T2S will be a single IT platform enabling settlement of securities in central bank money in the euro area/EU/EEA.
- CSDs will delocalise their securities accounts to T2S, which will perform the processing of their settlement instructions on these accounts.
- CSDs will keep their customer base and continue to perform non-settlement related functions (e.g. issuance, corporate actions, custody, etc.).
- Settlement in commercial bank money out of the scope of T2S

What is T2S? - A cooperation between CSDs and NCBs



Bringing on one technical platform all securities and cash accounts to settle all securities transactions

T2S - part of European landscape

T2S is a key contributor to the Lisbon agenda

**ESCB consolidation of
Infrastructure...**

**Removal of
Giovannini
barriers**

MIFID

**Code of
conduct**



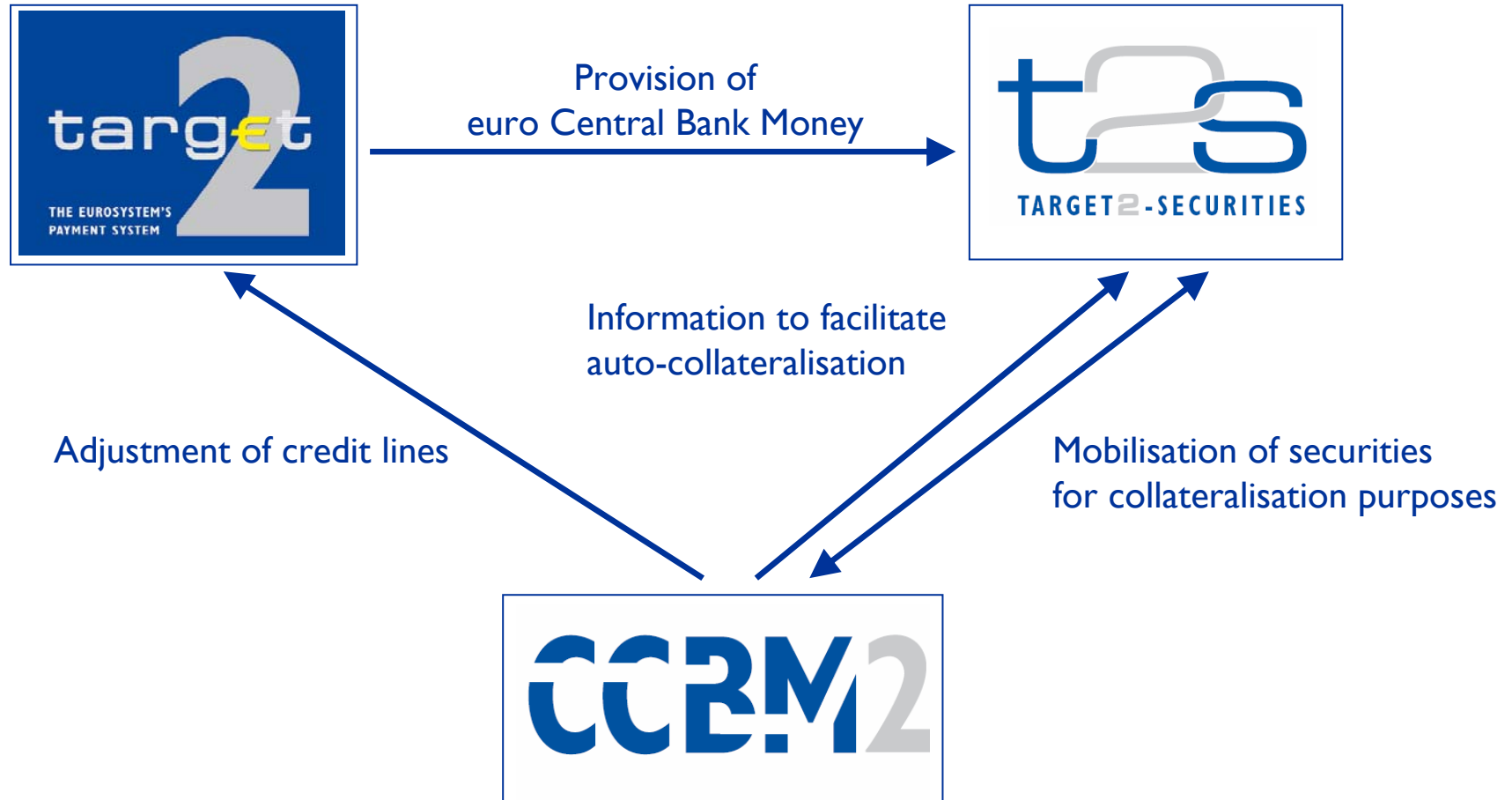
**ESCB-
CESR**



**... on integrated
securities market for
Europe.**

T2S, CCBM2 and TARGET2

Interaction of the services provided by the Eurosystem



Harmonisation in T2S

The Three Lists

List A

Standardised features in
URD

List B

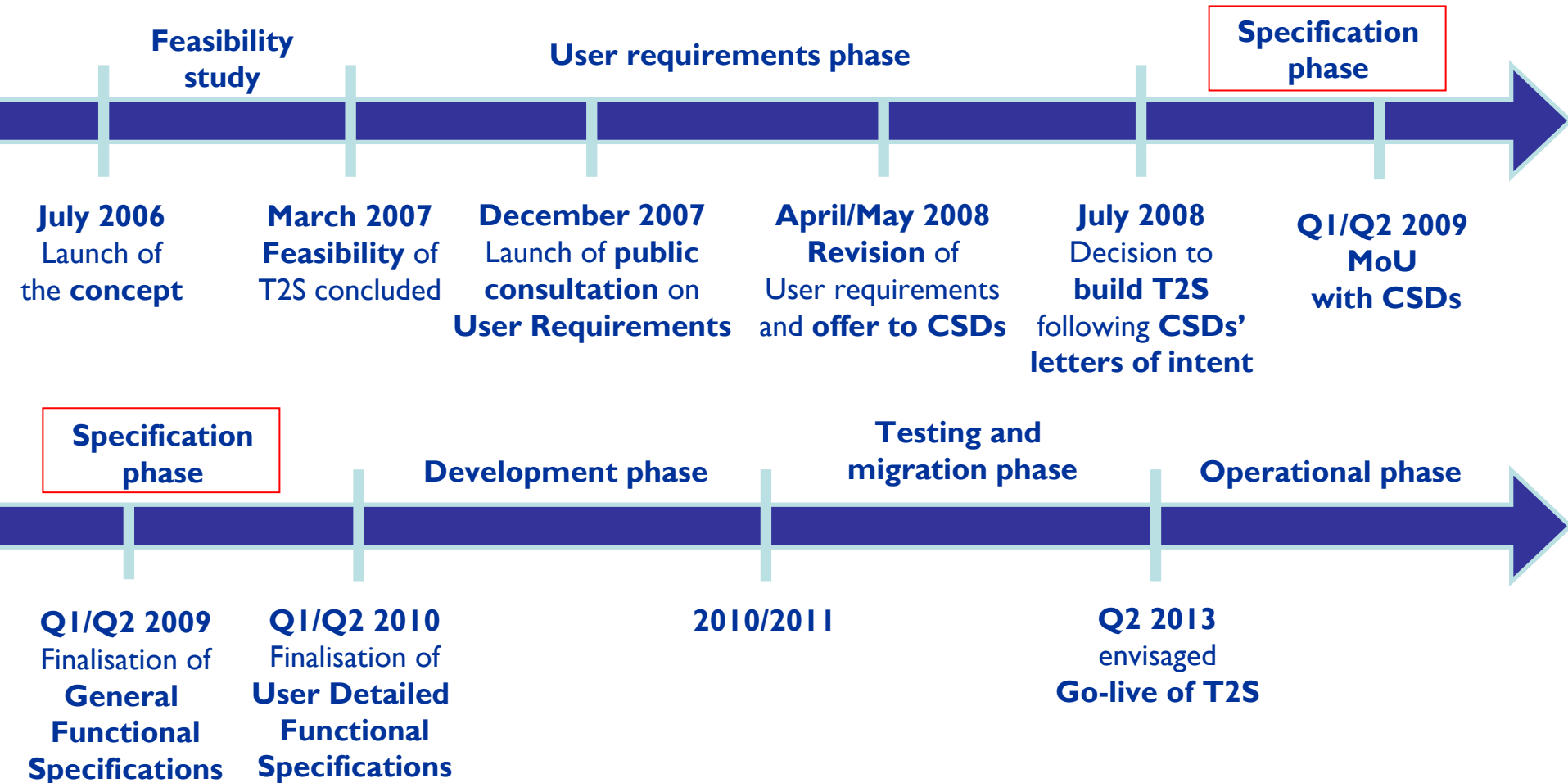
Harmonisation with an
impact on T2S platform

List C

Wider market harmonisation

Where are we?

Past and future milestones



The big wins of T2S

- Making cross-border settlement fees as inexpensive as domestic fees
- Reducing users' collateral/liquidity needs
- Harmonising settlement to make Europe a true Single Market
- Create new opportunities for competition

The Eurosystem and the market believe in T2S and are ready to take the challenge and invest in it.