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T2S CORPORATE ACTIONS STANDARDS

GAP ANALYSIS REPORT

This update reflects the status of T2S markets as of 27 October 2017

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Key Messages

After the completion of the 5th migration wave on last 18 September 2017, all twenty markets participating in T2S have now successfully migrated to the settlement platform. In this End 2017 CASG gap analysis update, the CASG would like to take stock and acknowledge the efforts made by all the T2S participating markets to achieve, or to move towards full compliance with the T2S Corporate Actions standards.

However, considering the important number of markets already migrated to T2S that still have a non-compliant red status (12 out of 22 CSDs, i.e. 55%), the CASG wishes to express its concerns with regard to the T2S Corporate Actions standards compliance process and the possible impact on T2S cross-border activities and harmonisation progress.

Among the non-compliant markets, some countries have defined implementation plans to move to full compliance with the T2S CASG standards, but in some other markets, no such compliance plan is in place. Non-compliance with the industry CAJWG standards, on which the T2S CASG standards are built, is also a cause of concern.

As cases of non-compliance with the T2S CASG and the CAJWG standards raise issues of asymmetric access between the non-compliant T2S markets and other participating T2S markets which have invested in implementing the CA standards, the CASG wishes to highlight this issue, and to request the T2S governance bodies to review this asymmetry, and to take appropriate ex-post measures¹.

Introduction

In September 2009, the T2S Advisory Group (AG) approved the T2S standards for processing corporate actions (CA) on flows (i.e. market claims, transformations and buyer protection) which had been prepared by the T2S CASG².

Given their importance to the settlement efficiency of T2S, the AG has agreed that T2S markets (i.e. CSDs and their participants including CCPs) should therefore implement the standards prior to their migration to T2S. The T2S stakeholders should be technically ready, where applicable, to test in accordance with the relevant testing procedure deadlines (i.e. the so called synchronisation points in the T2S Programme Plan). This is in line with the mandatory nature of all T2S harmonisation standards and their compliance framework as reflected in the view of the T2S Board³.

¹ As decided in the T2S Board meeting on 10 December 2013:

https://www.ecb.europa.eu/paym/t2s/pdf/View_of_the_T2S_Board_on_the_T2S_harmonisation_standards_compliance_framework.pdf?28a03b0eb7e991a25f05a610bbc37bbe

² The latest versions of the three sets of standards can be found on the T2S CASG website:

<http://www.ecb.europa.eu/paym/t2s/governance/ag/html/subcompact/index.en.html>

³ https://www.ecb.europa.eu/paym/t2s/pdf/View_of_the_T2S_Board_on_the_T2S_harmonisation_standards_compliance_framework.pdf?28a03b0eb7e991a25f05a610bbc37bbe

The AG, now AMI-SeCo, via the CASG, is monitoring the progress of the T2S markets in implementing these standards. The gap analyses cover the T2S markets only, i.e. markets in which at least one CSD has signed the T2S Framework Agreement. As agreed in the AG, the chairpersons of the T2S National User Groups (NUGs), now National Stakeholder Groups (NSGs), are responsible for the delivery and the content of their national market response to the gap analysis.

Procedures and methodology

This gap analysis update⁴ covers market developments during the period March – September 2017. Its main focus are Wave 5 markets (18 September 2017) and compliance implementation foreseen in the relevant markets for 2018. The survey was issued by the CASG in July 2017. T2S NSGs were invited to indicate the level of compliance with all T2S CA standards. In addition, the T2S markets have been asked to provide detailed information on the nature of the implementation gap (i.e. whether full compliance requires a legislative or regulatory change, a major system change, a change in market practices, etc.). The T2S NSGs are asked to provide their national and detailed implementation plans, including concrete milestones. By beginning September 2017, the CASG had received most responses (i.e. 17 T2S markets covering the 19 T2S CSDs that already migrated to T2S); the 4 remaining markets migrating on 18 September answered by 20 September 2017⁵. Based on this information, and on the results of a fact-finding survey conducted by the CASG in 2016, the CASG prepared a draft assessment of the compliance status of each T2S market, which was subsequently approved by the HSG on 26-27 November 2017.

In addition to measuring the number of T2S CA standards with which a T2S market currently complies⁶, the CASG has provided **an overall market compliance status** for each market (BLUE, GREEN, YELLOW or RED) in accordance with the general AG methodology (see Annex 2). In order to assign the overall market compliance status, the CASG members did not restrict their analysis to the current level of a T2S market's compliance with the standards. Additional elements were taken into account, such as the progress achieved since the previous survey, the severity of the barriers preventing full implementation as well as the agreed, detailed and public action plans for achieving full implementation before the market's migration to T2S.

Future work

The CASG will continue its work to support the T2S markets in their full implementation of the T2S CA standards. The CASG will further clarify the T2S CA standards where necessary for the whole T2S Community or to individual markets. Such clarifications, where relevant, will be

⁴ This report does not cover the new Slovakian CSD (NCDPC) that is expected to migrate on to T2S on 30 October 2017. Future reports will also cover this CSD.

⁵ See T2S NSG responses to the CASG survey in Annex 3.

⁶ For each standard the option is implemented/not implemented. Statistical compliance per market is also provided.

included in an updated version of the Frequently Asked Questions (FAQ) document on the [CASG webpage](#), following approval by the T2S Harmonisation Steering Group (HSG).

1. Compliance results

The CASG members have assessed and agreed to the following statuses for the T2S markets:

Table 1: Summary of compliance results of the latest gap analyses (Status: 10 October 2017)

T2S Markets Status	Mar 2017 Gap Analysis	Sep 2017 Gap Analysis	Of which by migration wave				
			I	II	III	IV	Final*
Blue	9	10	5	2	1	1	1
Green	4	0	0	0	0	0	0
Yellow*	1	1	0	0	0	0	1
Red	9	12	0	0	4	5	3

* The Finnish market decided not to migrate to T2S in the defined migration waves. No new T2S migration date has been communicated by Euroclear Finland, so Euroclear Finland is not included in the columns showing the individual migration waves.

The only formal changes to the overall compliance status compared to the March 2017 gap analysis relate to the four markets that have migrated to T2S in the last migration wave. Spain moves to Blue (from Green). The three Baltic markets (i.e. EE, LT and LV) are assessed as Red (from Green) as all three have a case of non-compliance with Market Claims standard 25.

The CASG has extensively discussed the results of a fact-finding survey conducted by the CASG in 2016. The results suggest that some markets are non-compliant with two underlying CAJWG standards, and as a result are non-compliant with CASG Transformation Standard 3. The issue relates to the non-generation of transformations in the event of a mandatory reorganisation with options with default option “lapse”, and in the event of an unsettled transaction for which there is no buyer protection.

Following guidance from the Harmonisation Steering Group (HSG), the CASG has not taken this information into account for the current gap analysis. This decision was based on three considerations: (i) the coverage and methodology of the fact-finding survey were different from, and in some aspects not consistent with, the coverage and methodology of the gap analysis questionnaire⁷; (ii) the underlying problem relates to the compliance with the CAJWG standards, which explains why the most recent CASG gap analysis survey did not cover this issue in detail; and (iii) the CASG has re-confirmed the appropriate interpretation of both the CASG and the CAJWG standards with respect to this issue in the CASG FAQ document that was approved by the HSG at its meeting on 26 and 27 October 2017.

⁷ One market did not reply the 2016 CASG fact-finding survey.

The CASG will review in detail compliance with these standards in its next gap analysis review in Q2 2018.

Wave 1 T2S markets

Table 2: Summary status for wave 1 markets

Wave 1 Compliance				
CH	GR	IT	MT	RO
B	B	B	B	B

The Swiss, Greek (BOGS), Italian, Maltese and Romanian markets maintain their blue statuses.

Wave 2 T2S markets

Table 3: Summary status for wave 2 markets

Wave 2 Compliance	
NBB	PT
B	B

Regarding migration wave 2 markets (28 March 2016), BE (NBB-SSS) and the Portuguese market maintain their blue status.

Wave 3 T2S markets

Table 4: Summary status for wave 3 markets

Wave 3 Compliance				
BE	FR	DK	NL	VP LUX
R	R	R	R	B

Following migration of wave 3 markets to T2S on 12 September 2016, VP Lux’s status has become blue (previously green) reflecting the full compliance status after migration to T2S.

The status of DK’s VP Securities is red following the identification of cases of non-compliance with two market claim standards. These are standard 10 on the types of market claim instructions to be generated and standard 14 on the tax status of the receiving/or delivering

account affecting the amount of cash/securities to be transferred. The non-compliance cases concern market claim generation in non-T2S currencies and securities technically issued in T2S stemming from a non-T2S CSD. A plan for full compliance is under discussion within the Danish market.

The ESES (BE, FR and NL) markets maintain their red statuses as they are not yet compliant with a number of T2S CA standards following their migration in September 2016. In July 2017, ESES corrected some defects and launched processing of cross-CSD market claims addressing most market claims standards except Standard 11 on market claim depending on its interpretation. With the future launch of CSE 6 (custody stream enhancement 6) in March 2018, ESES will address all transformation standards. With regards to Standard 11 on market claims, ESES’ potential non-compliance relates to the generation of market claims when the reference price is provided post record date and the interpretation of the standard needs to be clarified.

NL also achieved full compliance with all T2S CA Standards on Buyer Protection in June 2017. The 3 ESES markets plan to achieve compliance with the T2S CA Standards on Transformation in Q1 2018. The same deadline of Q1 2018 is foreseen by BE and FR for full compliance with T2S CA Standards on Buyer Protection.

Wave 4 T2S markets

Table 5: Summary status for wave 4 markets

Wave 4 Compliance					
AT	DE	HU	LUX CSD	SI	SK
R	R	R	R	B	R

After their migration to T2S in Wave 4, the Slovenian market became blue while the Slovakian market received a red status, as compliance with two Transformation standards will only be achieved by the end of March 2018. The German and the Austrian markets maintain their red statuses, as well as the Hungarian market as it will not be able to detect and generate market claims on equities after it migrates to T2S. Lux CSD as also remains red as its process to detect and generate market claims is not considered compliant with market claims standards 19 and 23.

Final wave T2S markets

Table 6: Summary status for the final wave markets

<i>Final Wave Compliance</i>			
ES	EE	LT	LV
B	R	R	R

Following their migration to T2S in Wave 5, the Spanish market receives a blue status while the three Baltic markets receive a red status, as on the Nasdaq platform, there is a case of non-compliance with Market Claim Standard 25 (i.e. no partial settlement for market claims in cash), which will only be planned to be implemented by the end of 2017.

As mentioned above, these ratings do not take into account the discussion relating to Transformation Standard 3, and the case of a “lapse” default for mandatory reorganisations with options.

Last migrating market

Table 7: Summary status for the last migrating market

<i>Last Migrating Market</i>
FI
Y

The Finnish market is assessed as yellow (from green) as it still needs to provide the implementation deadlines for the intermediary changes in view of full compliance before its migration to T2S.

1.1 T2S markets overall compliance status

This section provides a summary information table regarding the overall compliance status of all T2S markets. The compliance status takes into account a number of factors, inter alia:

- the severity of barriers to implementation (in particular the need for extensive legislative amendments or changes in tax policy, which are not fully agreed with authorities, are given a strong weighting); and
- the availability of detailed action plans and concrete dates, as agreed at market level, to fully implement the standards.

It is therefore possible to have a low or even zero statistical value (in Table 8) with a green overall compliance status (in Table 7) at the same time. It is also possible to have a high

statistical value but at the same time a yellow or red overall compliance status, reflecting some major regulatory, tax or legal barrier preventing full compliance post migration.

For further details regarding the methodology used for compiling Table 7 see in Annex 2 an excerpt of the methodology used for the purposes of assigning compliance statuses in the T2S Harmonisation Progress Report.

Table 8. T2S markets' compliance status

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
AT – Austria (W4)	R	The Austrian market did not comply with three market claims standards by the time of its migration to T2S: a) Standard 6 and 7 – due to concerns around tax fraud, the AT market decided not to take into account the “opt-out”, “ex” and “cum” flags when generating market claims; b) Standard 23 – it is understood that the AT CSD will not provide a user friendly facility to control the interdependence of the settlement of the market claim and the underlying transaction. Instead the CSD participants will be provided with an optional facility to put automatically on hold (at securities account level) the market claims generated by the AT CSD.
BE - Belgium (EoC) (W3)	R	Euroclear Belgium achieved compliance with most market claims CA standards by July 2017. By March 2018, ESES is expected to comply with all transformations standards. Depending on interpretation to be made of Standard 11 on market claims; ESES may remain red until the implementation of ESES modernization upgrade, not scheduled yet. Volumes are extremely limited for market claims when the reference price is generated post record date. In order to achieve full compliance with the transformations and BP standards, the Belgian market is looking to effect a change in its securities law by Q1 2018.
BE – Belgium (NBB) (W2)	B	NBB-SSS has achieved full compliance with the T2S CA standards at the time of its migration to T2S. Even if it reported non-compliance with some MC standards, these are not relevant for this assessment as it settles only debt securities.
CH – Switzerland (W1)	B	Since its migration to T2S, the Swiss market has achieved full compliance with the T2S CA standards.
DE – Germany (W4)	R	The German NUG has reported that the necessary legal changes have been made by the German parliament in order to introduce record date on 1 January 2017, prior to DE market migration to T2S (February 2017). Implementation of the standards with high impact on the T2S Community (payment on T2S DCA accounts and managing of fractions) is postponed to the 2 nd half of 2018. The German market does not yet have a plan to eventually comply with the two remaining standards (“CUM” flag and generating of MCs independently of settlement of the underlying transaction). It may elaborate such plans only after discussions with the authorities and analysis of volume developments after the introduction of Record date. The implementation of the Record Date was an important achievement in the German market; however, several cases of non-compliance have been observed from investment funds. In the context of T2S cross-border activities, the non-compliant lack of market claim generation for non-flat bonds raised issues for investor CSDs.
DK – Denmark (W3)	R	After its migration to T2S in September 2016, there is non-compliance with Market Claim Standard 10 (i.e. market claims are not generated for trades settled in T2S in which a CA-event occurs involving a non-T2S currency) and Standard 14 (i.e. Danish taxation rates are, for current market practice reasons, applied for a small number of ISINs, issued in a non-T2S CSD) ⁸ .

⁸ In the interim period, between T2S migration and till Danish krona is on T2S (expected on 29 October 2018), the cash CAs on flow will not be raised by VP for ISINs with CA proceeds in Danish krona.

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
EE – Estonia (FW)	R	The Estonian market became red following its migration to T2S in September 2017 due to the non-compliance with Market Claims Standard 25 (i.e. no partial settlement for market claims in cash), which implementation is foreseen by end 2017.
ES – Spain (FW)	B	Following its migration to T2S in September 2017 the Spanish market is now rated as having achieved the blue status.
FI – Finland (FW)	Y	The migration of the Finnish market to T2S has been postponed to after the last migration wave foreseen in September 2017. Full compliance for domestic transactions before going live and before migration to T2S has been foreseen. A detailed plan to comply with the T2S CA standards is still missing.
FR – France (W3)	R	By March 2018, ESES is expected to comply with all transformations standards. Depending on interpretation to be made of Standard 11 on market claims; ESES may remain red until the implementation of ESES modernization upgrade, not scheduled yet. Volumes are extremely limited for market claims when the reference price is generated post record date. Compliance with the remaining T2S CA Standards (on Transformations and Buyer Protection) is planned for Q1 2018.
GR – Greece (BOGS) (W1)	B	As of end October 2015, BOGS has achieved full compliance with the T2S CA standards.
HU – Hungary (W4)	R	The Hungarian market did not become fully compliant with the T2S market claim standards for equities by the time of its migration in February 2017. Full compliance is nevertheless planned to be achieved by the end of 2017.
IT – Italy (W1)	B	The Italian market maintains its blue status.
LT – Lithuania (FW)	R	The Lithuanian market became red following its migration to T2S in September 2017 due to the non-compliance with Market Claims Standard 25 (i.e. no partial settlement for market claims in cash), which implementation is foreseen by end 2017.
LU – Luxembourg (LUX CSD) (W4)	R	Compliance with more than half of the MC standards has been achieved. However, based on further clarifications provided by LuxCSD, it did not become fully compliant with market claim standards 19 and 23 at the time of its migration to T2S. Compliance with T2S CA Standards on Transformations is planned from end 2017 onwards. With regard to Buyer Protection Standard 10 on the publication of BP key data, LuxCSD confirmed such publications by requesting BP information from the issuer agent and publishing them via its notification system.
LU – Luxembourg (VP Lux) (W3)	B	VP LUX achieved full compliance with the T2S CA standards with its migration to T2S in September 2016.
LV – Latvia (FW)	R	The Latvian market became red following its migration to T2S in September 2017 due to the non-compliance with Market Claims Standard 25 (i.e. no partial settlement for market claims in cash), whose implementation is foreseen by end 2017.
MT – Malta (W1)	B	As of 16 December 2015, the Maltese market has achieved full compliance with the T2S CA standards.
NL – Netherlands (W3)	R	Euroclear Netherland achieved compliance with most T2S CA standards on Market Claims by July 2017. By March 2018, ESES is expected to comply with all transformations standards. Depending on interpretation to be made of Standard 11 on market claims; ESES may remain red until the implementation of ESES modernization upgrade, not scheduled yet. Volumes are extremely limited for market claims when the reference price is generated post record date. The Dutch market complied with the T2S CA Standards on Buyer Protection by June 2017 and compliance with T2S CA Standards on Transformations is planned for Q1 2018.

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
PT – Portugal (W2)	B	The Portuguese market maintains its blue status.
RO – Romania (W1)	B	The Romanian market maintains its blue status.
SI – Slovenia (W4)	B	Major legal reform has been adopted in the legislation in October 2015. The Slovenian T2S NUG complies with the standards by its migration to T2S in February 2017.
SK – Slovakia (W4)	R	The Slovakian market became red after its migration to T2S in February 2017, as compliance with two Transformation standards will only be achieved by the end of March 2018. Key Data on BP were published on www.cdcp.sk as part of the CSD Rules of Operation in September 2017.

1.2 T2S markets current compliance

Some statistics on quantitative measurements of compliance based on the surveys provided by T2S markets/CSDs is presented below in a summary table of the current compliance of all T2S markets with the T2S CA standards. The statistical assessment in Table 9 reflects the current stock taking results based on the T2S NUGs responses to the current CASG gap analysis survey, which were received by the end of September 2017.

Table 9. Current compliance of T2S markets with T2S CA standards as of 10 October 2017

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
AT – Austria (W4)	89%	100%	100%
BE - Belgium (EoC) (W3)	96%	0%	0%
BE – Belgium (NBB) ⁹ (W2)	100%	100%	100%
CH – Switzerland (W1)	100%	100%	100%
DE – Germany (W4)	63%	100%	94%
DK – Denmark (W3)	93%	100%	100%
EE – Estonia (W4)	96%	100%	100%
ES – Spain (WF)	100%	100%	100%
FI – Finland (WF)	0%	0%	0%
FR – France (W3)	96%	0%	0%

⁹ Even if NBB-SSS has reported non-compliance with some MC standards, these are not relevant as it settles only debt securities

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
GR – Greece (BOGS) (W1)	100%	100%	100%
HU – Hungary (W4)	18%	92%	100%
IT – Italy (W1)	100%	100%	92%
LT – Lithuania (W4)	96%	100%	100%
LU – Luxembourg (LUX CSD) (W4)	93%	0%	100%
LU – Luxembourg (VP Lux) (W3)	100%	100%	100%
LV – Latvia (W4)	96%	100%	100%
MT – Malta (W1)	100%	100%	100%
NL – Netherlands (W3)	96%	0%	100%
PT – Portugal (W2)	100%	100%	100%
RO – Romania (W1)	100%	100%	100%
SI – Slovenia (W4)	100%	100%	100%
SK – Slovakia (W4)	100%	85%	100%

Source: Latest gap analysis surveys of T2S markets/CSDs

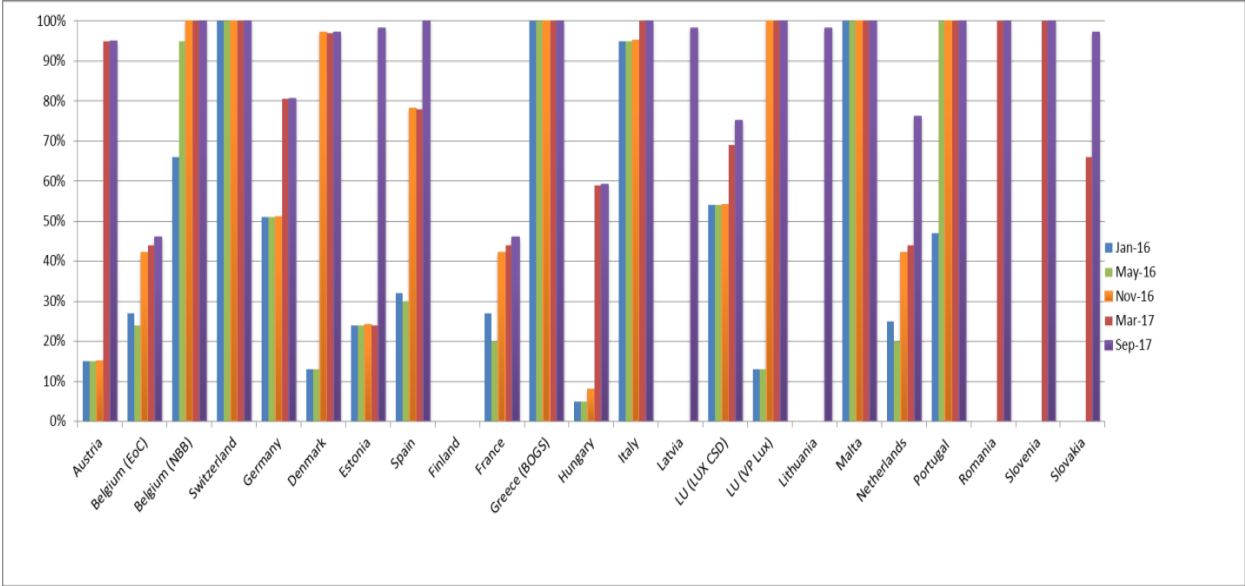
Table 10. Comparative statistics of current compliance across T2S markets (March – September 2017)

Source: Gap analysis surveys of T2S markets/CSDs

	Market claims					Transformations					Buyer protection					Total					Trend
	Jan-16	May-16	Nov-16	Mar-17	Sep-17	Jan-16	May-16	Nov-16	Mar-17	Sep-17	Jan-16	May-16	Nov-16	Mar-17	Sep-17	Jan-16	May-16	Nov-16	Mar-17	Sep-17	
Austria	7%	7%	7%	89%	89%	0%	0%	0%	100%	100%	39%	39%	39%	100%	100%	15%	15%	15%	95%	95%	→
Belgium (EoC)	46%	50%	89%	93%	96%	23%	0%	0%	0%	0%	0%	0%	0%	0%	0%	27%	24%	42%	44%	46%	↗
Belgium (NBB)	93%	89%	100%	100%	100%	100%	100%	100%	100%	100%	0%	100%	100%	100%	100%	66%	95%	100%	100%	100%	→
Switzerland	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Germany	46%	46%	46%	63%	63%	0%	0%	0%	100%	100%	94%	94%	94%	94%	94%	51%	51%	51%	81%	81%	→
Denmark	21%	21%	93%	93%	93%	15%	15%	100%	100%	100%	0%	0%	100%	100%	100%	13%	13%	97%	97%	97%	→
Estonia	43%	43%	43%	43%	96%	15%	15%	15%	15%	100%	0%	0%	0%	0%	100%	24%	24%	24%	24%	98%	↗
Spain	46%	46%	89%	89%	100%	46%	39%	77%	77%	100%	0%	0%	61%	61%	100%	32%	30%	78%	78%	100%	↗
Finland	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
France	43%	43%	89%	93%	96%	31%	0%	0%	0%	0%	0%	0%	0%	0%	0%	27%	20%	42%	44%	46%	↗
Greece (BOGS)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Hungary	4%	4%	11%	18%	18%	8%	8%	8%	92%	92%	6%	6%	6%	100%	100%	5%	5%	8%	59%	59%	→
Italy	93%	93%	93%	100%	100%	92%	92%	92%	100%	100%	100%	100%	100%	100%	100%	95%	95%	95%	100%	100%	→
Latvia	0%	0%	0%	0%	96%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%	98%	↗
LU (LUX CSD)	54%	54%	54%	86%	93%	0%	0%	0%	0%	0%	94%	94%	94%	94%	100%	54%	54%	54%	69%	75%	↗
LU (VP Lux)	21%	21%	100%	100%	100%	15%	15%	100%	100%	100%	0%	0%	100%	100%	100%	13%	13%	100%	100%	100%	→
Lithuania	0%	0%	0%	0%	96%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%	98%	↗
Malta	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Netherlands	43%	43%	89%	93%	96%	23%	0%	0%	0%	0%	0%	0%	0%	100%	25%	20%	42%	44%	76%	↗	
Portugal	75%	100%	100%	100%	100%	54%	100%	100%	100%	100%	0%	100%	100%	100%	100%	47%	100%	100%	100%	100%	→
Romania	0%	0%	0%	100%	100%	0%	0%	0%	100%	100%	0%	0%	0%	100%	100%	0%	0%	0%	100%	100%	→
Slovenia	0%	0%	0%	100%	100%	0%	0%	0%	100%	100%	0%	0%	0%	100%	100%	0%	0%	0%	100%	100%	→
Slovakia	0%	0%	0%	100%	100%	0%	0%	0%	85%	85%	0%	0%	0%	0%	100%	0%	0%	0%	66%	97%	↗

Figure 1. Development of current compliance with T2S CA standards (Mar – September 2017)

Source: Latest Gap analyses surveys of T2S markets/CSDs



The figures below rank the markets/CSDs by rate of current compliance for each set of standards:

Figure 2. Market Claims (% current compliance for each market/systems as of End September 2017)

Source: Latest gap analysis surveys of T2S markets/CSDs

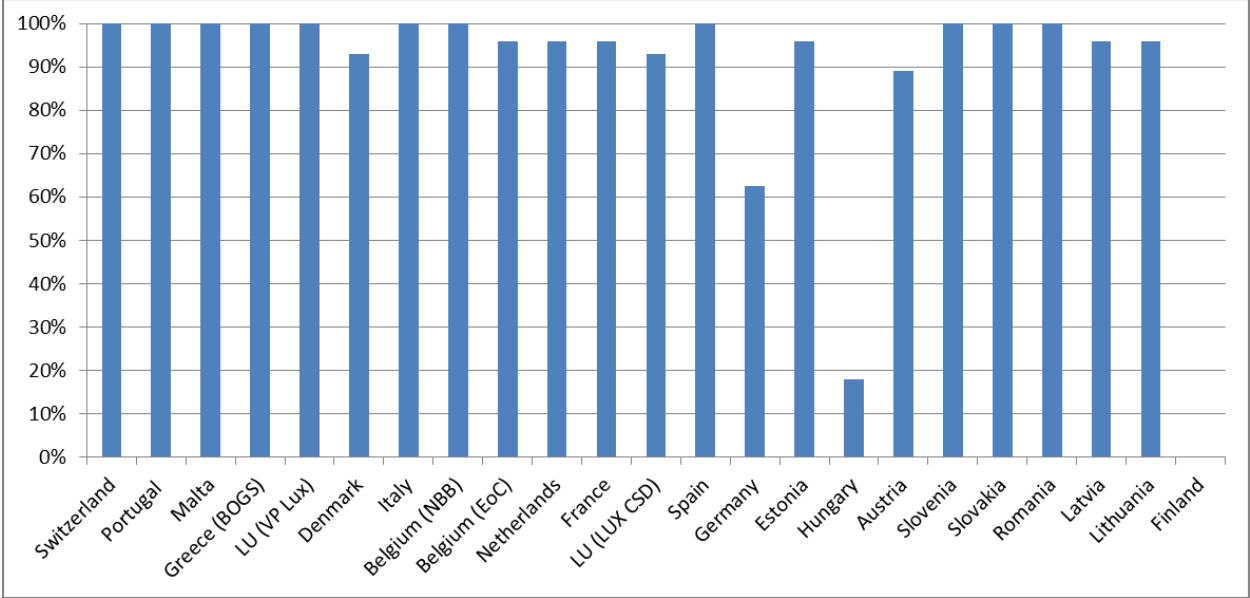


Figure 3. Transformations (% current compliance for each market/system as of End 2017)

Source: Latest gap analysis surveys of T2S markets/CSDs

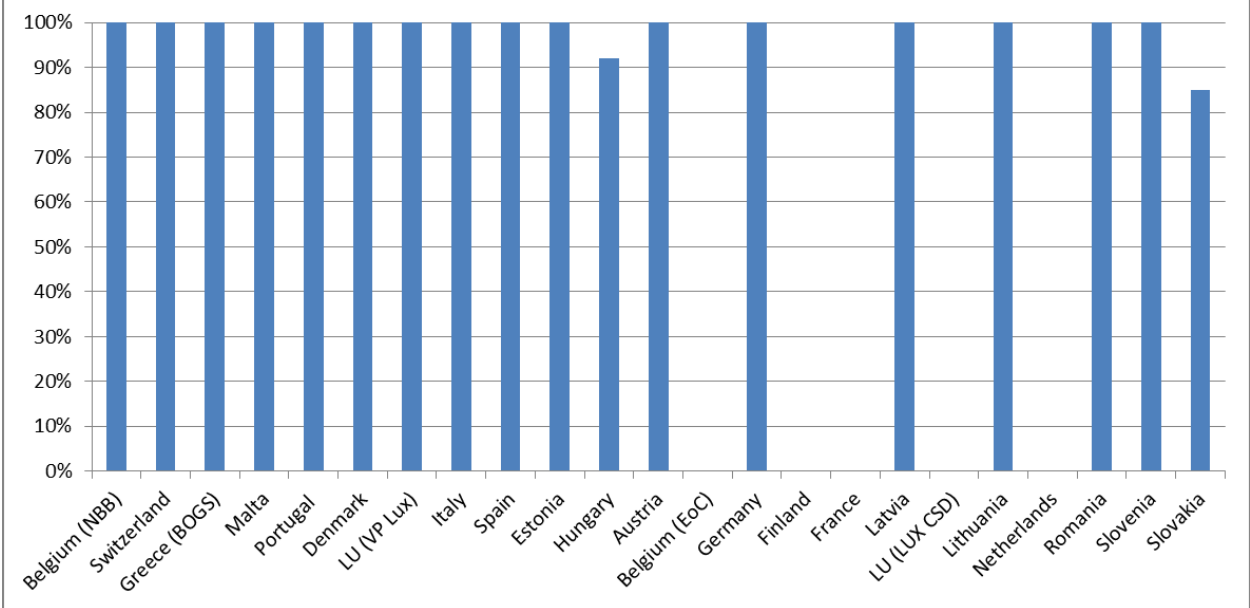
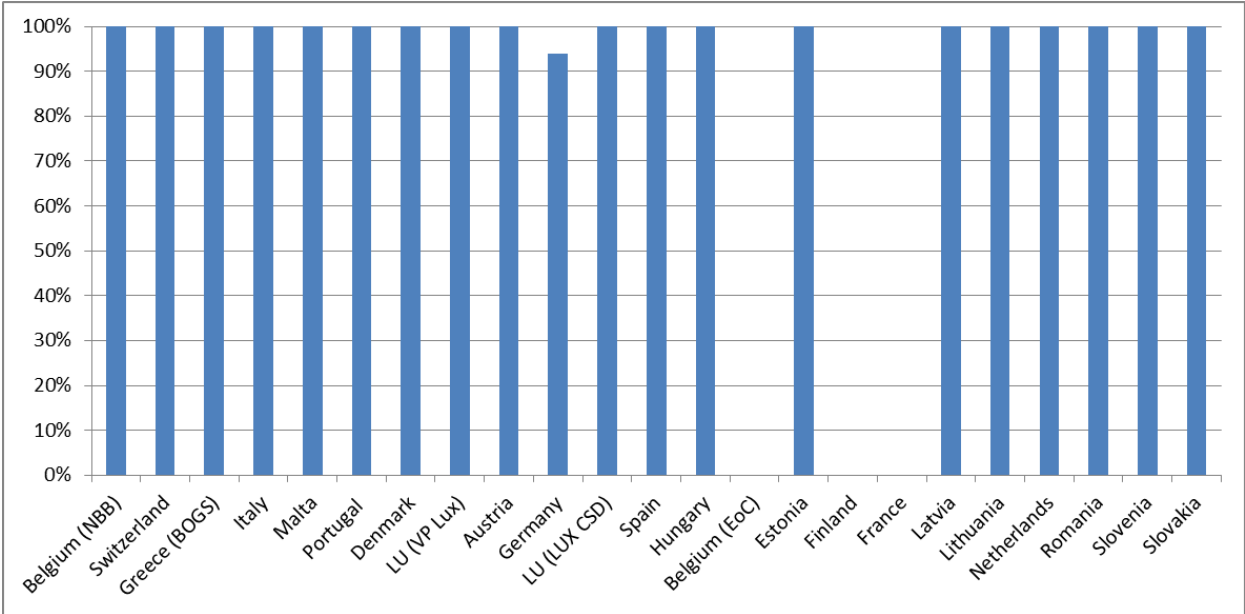


Figure 4. Buyer protection (% current compliance for each market/system as of End 2017)

Source: Latest gap analysis surveys of T2S markets/CSDs



Annex 1: List of CASG contact persons

The full list of CASG members is available on the T2S CASG webpage at the following link:

http://www.ecb.europa.eu/paym/t2s/progress/pdf/subcorpact/CASG_members.pdf?bccc08a84dee282e41612a5be94ec97b

Some CASG members have taken responsibilities to act as contact persons for specific markets as indicated below:

Market/ CSD	CASG Member
CH	Florentin Soliva (SIX Securities Services Ltd)
DE	Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)
ES	Mikel Picallo (Iberclear)
DK	Nikolaj Hesselholt Munck (VP Securities)
FR	Mireille Galeazzi (Euroclear Group) and Helena Bastos (BNP Paribas)
LU	Nikolaj Hesselholt Munck (VP Securities) and Thomas Rockstroh (Clearstream)
HU	Ben Van der Velpen (ING)
FI	Päivi Ahola (Danske Bank) and Leena Ruostetsaari (Euroclear FI)
PT	Jyrki Leppanen (Interbolsa)
IT	Tina Mingoia (Monte Titoli) and Paola Deantoni (Société Générale)
AT	Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)
RO	Mariana Beca (Depozitarul Central) and Ben Van der Velpen (ING)
LT/LV/EE	Christine Strandberg (SEB)
GR (BOGS)	Helena Bastos (BNP Paribas)
MT	Massimiliano Renzetti (Banca d'Italia)
SK	Thomas Rockstroh (Clearstream) and Robert Prielcel (CDCP)
SI	Ben van der Velpen (ING)
BE (NBB-SSS and Euroclear BE)/NL	Mireille Galeazzi (Euroclear Group) and Ben Van der Velpen (ING)

Annex 2: Methodology

Overall compliance status assessment

A specific colour, based on a four-colour scheme, is displayed in the status update to reflect the overall compliance status of all markets. These colours/statuses are agreed at the AG level, based on the proposals of the HSG (and the input of the T2S NUGs, CSDs and other reporting actors).

Table 10: Colour status definition

Colour	Description
Blue	<p>Compliance The market has achieved full compliance with the harmonisation standard.</p> <p>a. For technical standards (e.g. T2S ISO 20022 messages), this means that the T2S market is already operating according to the standard.</p> <p>b. For regulatory/legal standards (e.g. T2S settlement finality rules), this means that the relevant regulation/legislation is already in place.</p> <p>Further monitoring of the T2S market is no longer required.</p>
Green	<p>Compliance 1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard, but no obstacles have been identified to achieving full compliance by the deadline. and 2) The market has established a clear/detailed plan to implement the harmonisation standard and has publicly announced deadlines for full implementation.</p> <p>Further monitoring of the T2S market is required.</p>
Yellow	<p>Compliance 1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the given harmonisation standard, but obstacles have been identified which may threaten achievement of full compliance by the deadline. or 2) The T2S market has issued a statement that it will implement the standard, but has not committed to concrete and publicly announced dates for implementation.</p> <p>Further monitoring of the T2S market is required.</p>
Red	<p>Compliance 1) The T2S market has not provided any information on its level of compliance with the standard. or 2) The T2S market has decided not to (fully) comply with the standard. or 3) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard and obstacles have been identified that have stopped the implementation plan of the market and/or will prevent its full implementation by the deadline.</p> <p>Further monitoring of the T2S market is required</p>

Annex 3: T2S National User Group responses