

Feedback to consultation paper

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Proposal Nr.	Statement	Comment	Institution	Confidential
1	I agree		Deutsche Bank DCS	No
2	I do not agree entirely	We welcome the ideas expressed under statement 2. However, it should be clear that the underlying expectation is to derive the benefit of a consolidated cash requirement across all CSDs to which one participant would be connected (net cash funding). For risk management purposes, it must, however, be possible to segregate funding reservations.	Deutsche Bank DCS	No
3	I agree		Deutsche Bank DCS	No
4	I agree		Deutsche Bank DCS	No
5	I do not agree entirely	Whilst we agree with the statement, the proposal is slightly unclear. We agree with the general idea if the intention is to allow the dedication of a portion of a settlement agent's liquidity to indirect cash participants.	Deutsche Bank DCS	No
6	I agree		Deutsche Bank DCS	No
7	I do not agree entirely	Account differentiation is certainly needed in some markets. However, clarification is required from certain countries whether they would require different account types on T2S. The differentiation allowing for an investor and issuer account must be an option. A further differentiation should follow a cost-benefit analysis, also highlighting whether this would be part of T2S's core functionality (all pay) or non-core service (respective market that requests the service pays).	Deutsche Bank DCS	No
8	I do not agree entirely	See question 7.	Deutsche Bank DCS	No
9	I agree		Deutsche Bank DCS	No

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10	I do not agree entirely	A position on this proposal is closely linked to question 7. The proposal could lead to operational issues with regard to multi-listed securities in terms of re-alignment and inventory management, as well as on the tax and legal side. However, the segregation should allow for additional differentiation other than simply for self-collateralisation purposes.	Deutsche Bank DCS	No
11	I agree	See question 7.	Deutsche Bank DCS	No
12	I do not agree entirely	The static data is also influenced by the coordination with other market data providers. This needs to be taken into account before a final answer can be provided.	Deutsche Bank DCS	No
13	I agree		Deutsche Bank DCS	No
14	I agree		Deutsche Bank DCS	No
15	I agree		Deutsche Bank DCS	No
16	I agree		Deutsche Bank DCS	No
17	I agree		Deutsche Bank DCS	No
18	I agree		Deutsche Bank DCS	No
19	I agree		Deutsche Bank DCS	No
20	I agree		Deutsche Bank DCS	No
21	I agree		Deutsche Bank DCS	No
22	I do not agree entirely	Whilst we expect that the T2S operating hours will be inside the window of T2's operating hours, they may not necessarily be the same. It is unclear if the times refer to technical availability versus the commencement of the settlement process. Ultimately, any decision on operating hours depends on the on-going harmonisation efforts of CSDs, and the difference between the CSD which opens earliest and the CSD which closes latest, needs to be reflected in the final decision.	Deutsche Bank DCS	No
23	I completely disagree	Does not fit in with a harmonised settlement process. The use of the night-time settlement period should be mandatory in order to encourage cross-border activity, liquidity management and the harmonization of settlement processes. This is required for back-to-back business.	Deutsche Bank DCS	No

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24	I agree		Deutsche Bank DCS	No
25	I agree	More information would be needed before a final answer can be provided since this proposal could potentially lead to less transparency/more complexity. This can only be decided upon in consultation with the market participants.	Deutsche Bank DCS	No
26	I agree	If we understand this proposal as signifying that T2S proposes to harmonise the results of non-settlement business (e.g. the settlement of rights, splits, transformations), we would consider this to be of benefit. However, we deem that the development of non-core functionalities should be granted to all participants after having performed a proper analysis of costs/benefits. Moreover, we consider that costs of potential specific system enhancements should be charged to the applicant and not to the entire community.	Deutsche Bank DCS	No
27	I agree		Deutsche Bank DCS	No
28	I agree		Deutsche Bank DCS	No
29	I agree	More information would be needed before a final response can be given. Such changes will require rule amendments.	Deutsche Bank DCS	No
30	I completely disagree	Since both parties need to designate the same location, there should be only one place of matching and by this avoiding uncertainty of matching location. Having said this, a clear respond would depend on the particular circumstances. CCPs, for instance, should be able to instruct matched trades. However, there should never be a situation where parties need to agree on where to match. Thus, much more detail is required here.	Deutsche Bank DCS	No
31	I do not agree entirely	When looking at market efficiency, some local markets have different structures/accessibility rules. Whilst harmonized matching rules would be desirable, this could create problems for certain markets. An example: in terms of matching at final beneficiary level, the Dutch market is well-suited, whereas other markets may have challenges with such a proposal on account of static data requirements. Such proposals appear attractive once the removal processes for the Giovannini Barrier have been completed.	Deutsche Bank DCS	No
32	I do not agree entirely	See question 30.	Deutsche Bank DCS	No
33	I do not agree entirely	Whilst in general, harmonised matching rules should be encouraged, as detailed in our response to question 31, some exceptions might be necessary.	Deutsche Bank DCS	No

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34	I do not agree entirely	See question 30.	Deutsche Bank DCS	No
35	I do not agree entirely	Changes should only be possible when unmatched. Should a transaction be matched and subsequently amended, this should require re-matching.	Deutsche Bank DCS	No
36	I agree		Deutsche Bank DCS	No
37	I agree	Before a final response can be provided, more information would be required.	Deutsche Bank DCS	No
38	I agree		Deutsche Bank DCS	No
39	I do not agree entirely	Before a final response can be provided, more information would be required. Harmonisation is needed in order to make this feasible.	Deutsche Bank DCS	No
40	I agree	Before a final response can be provided, more information would be required.	Deutsche Bank DCS	No
41	I agree	We should like to note that a single legal model may be difficult to achieve. An analysis on the cost impact of a different legal set-up is needed before a decision can be made.	Deutsche Bank DCS	No
42	I do not agree entirely	There is presently not sufficient detail to provide a response. Of particular interest is how multi-eligible securities are to be settled. A so-called re-alignment at T2S level could cause difficulties at local level.	Deutsche Bank DCS	No
43	I do not agree entirely	There is presently not sufficient detail to provide a response. For instance, are pending OTCs to be settled during the nighttime?	Deutsche Bank DCS	No
44	I do not agree entirely	Whilst certainly of interest, we are concerned as to whether such netting runs are equally feasible for both securities and cash. This would require a sophisticated inventory management tool (double-listed securities) across markets.	Deutsche Bank DCS	No
45	I agree		Deutsche Bank DCS	No
46	I agree		Deutsche Bank DCS	No
47	I do not agree entirely	Whilst we, in principle, agree, there is not sufficient detail in terms of the frequency. Multiple 'partial runs' or even real-time settlement will result in more settlements (=costs).	Deutsche Bank DCS	No
48	I agree	This depends on the detail and for how long transactions can be carried over (currently market practices vary across Europe).	Deutsche Bank DCS	No
49	I agree		Deutsche Bank DCS	No
50	I do not agree entirely	There is not sufficient detail. Will this, for instance, include a cross-border lending facility for different settlement value dates?	Deutsche Bank DCS	No

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51	I do not agree entirely	The establishment of links for non-connected CSDs within T2S could make the process more complex and costly, as such links are usually very customised. This needs to be analysed in more detail (cost-benefit).	Deutsche Bank DCS	No
52	I agree		Deutsche Bank DCS	No
53	I agree	A question, albeit for for a later stage: whether read-only access will be charged?	Deutsche Bank DCS	No
54	I agree		Deutsche Bank DCS	No
55	I agree	It is unclear whether the user of a CSD has the right to access T2S directly and for which reasons a CSD could refuse such access.	Deutsche Bank DCS	No
56	I agree		Deutsche Bank DCS	No
57	I do not agree entirely	This is linked to question 55. Since CSDs will be outsourcing their settlements to the ECB, the local balances at CSD level should mirror those on T2S. In principle, therefore, we are in agreement. Before a qualified response can be provided, however, more information would be required.	Deutsche Bank DCS	No
58	I agree		Deutsche Bank DCS	No
59	I agree		Deutsche Bank DCS	No
60	I do not agree entirely	An answer to this questions depends on confirmation from CSDs. As a user, there is a clear expectation that T2S is scalable to meet the SLAs defined with T2S. We therefore cannot confirm a specific transaction volume as adequate in 2013.	Deutsche Bank DCS	No
61	I do not agree entirely	An answer to this questions depends on confirmation from CSDs. As a user, there is a clear expectation that T2S is scalable to meet the SLAs defined with T2S. We therefore cannot confirm a specific transaction volume as adequate in 2013.	Deutsche Bank DCS	No
62	I agree		Deutsche Bank DCS	No
63	I agree		Deutsche Bank DCS	No
64	I do not agree entirely	A clarification and definition as regards the roles and the responsibilities between the CSDs and T2S is needed in order to avoid confusion and a duplication of responsibilities.	Deutsche Bank DCS	No
65	I agree	One should avoid a situation where both T2S and the local CSDs archive the same data.	Deutsche Bank DCS	No

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66	I do not agree entirely	This depends on further investigation (since different systems certainly need to be maintained for asset servicing)	Deutsche Bank DCS	No
67	I do not agree entirely	Whilst we are, in principle, in agreement with this statement, this depends what this principle actually means in reality (cost-benefit analysis)?	Deutsche Bank DCS	No