



eurex clearing circular 177/14

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TARGET2-Securities: Initial information about impact on Eurex Clearing's customers

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Content may be most important for:

☞ All departments

Attachments:

none

Summary:

On **22 June 2015**, the first Central Securities Depositories (CSDs) will migrate their securities settlement business to TARGET2-Securities (T2S), the new European securities settlement system in central bank money. In the first step (Wave 1), the CSDs from Switzerland (SIX SIS), Romania (Depozitarul Central S.A.), Greece (Bank of Greece Securities Settlement System), Malta (Malta Stock Exchange) and Italy (Monte Titoli S.p.A.) will migrate to T2S.

With this circular Eurex Clearing provides its customers with an initial overview about the general migration approach and impact of T2S Wave 1.

Further details about specific CCP adjustments for T2S Wave 1 as well as the communication schedule will be published at the beginning of 2015.

Kindly forward this announcement to all involved departments in your company.

TARGET2-Securities: Initial information about impact on Eurex Clearing's customers

TARGET2-Securities (T2S) is the new European securities settlement engine of the Eurosystem which aims to offer centralised settlement in central bank money across all European securities markets. One primary goal of T2S is to integrate and harmonise the currently fragmented securities settlement infrastructure in Europe by performing securities settlement transactions on behalf of the participating CSDs.

T2S will change the entire European post-trade environment and will have impact on almost all market participants active in the European securities business. Eurex Clearing is currently preparing for the implementation of T2S to ensure reliable and efficient services in the future European post-trade environment.

With this circular Eurex Clearing provides its customers with an initial overview about the general migration approach and impact of T2S Wave 1.

General approach

Eurex Clearing aims to minimise the overall T2S introduction impact for its customers. Eurex Clearing will initially migrate all T2S-relevant business activities and products cleared to T2S to ensure continued services for all of its affected customers in the new T2S environment. In addition, Eurex Clearing will adjust its systems and processes to include changes prioritised by customers based on new functionality offered by T2S. The migration of the existing Eurex Clearing business towards T2S builds the foundation for future service extensions.

The majority of Eurex Clearing's T2S-relevant business activities will be migrated with T2S Wave 3 (i.e. Clearstream Banking Frankfurt). However, there is also some impact with every single wave before (i.e. Wave 1 including SIX SIS and Wave 2 including ESES markets – France, Belgium and Netherlands).

Impacts of T2S Wave 1

In T2S Wave 1, the Swiss CSD SIX SIS will offer securities settlement in euro for its Swiss and Liechtenstein securities in T2S. There is no impact on Eurex Clearing's existing settlement approach in T2S Wave 1.

- The processing of deliveries resulting from transactions concluded at Eurex Exchange in Swiss francs will stay unchanged, as SIX SIS will not migrate its Swiss francs business to T2S.
- The processing of deliveries resulting from transactions concluded at Eurex Exchange in euro will stay unchanged, as settlements in euro will be settled cross-border between SIX SIS and CBF (in case one client holds its account at SIX SIS). CBF will migrate to T2S in Wave 3.
- The processing of loans available with the Lending CCP will stay unchanged.

Resulting from corporate action market harmonisation efforts in Europe, Eurex Clearing will adjust its corporate action processing with T2S and is reviewing first amendments with T2S Wave 1.

More detailed information about specific changes in CCP for T2S Wave 1 will be released in accordance with our established member communication procedures at the beginning of 2015.

For further information, please visit www.eurexclearing.com/T2S.

Please address specific questions to your Eurex Clearing Key Account Manager or contact

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