

MANDATE OF THE DIRECTLY CONNECTED PARTIES GROUP

1. Preamble

Directly Connected Parties (DCPs) are the clients of CSDs and/or NCBs. Certain topics are of specific interest for DCPs and have led them to require clarifications (from the CSD community, from the NCB community and/or from the ECB Team). It is of interest that questions and clarifications of general concern are made transparent to the wider T2S community in line with T2S principles. Any topic related to the service offering of CSDs/NCBs to their customers (including the monitoring of the ability of their customers to operate within T2S) pertains to the business and contractual relationship that CSDs/NCBs have with their customers for which CSDs/NCBs shall remain exclusively responsible¹.

The DCP Group (DCPG) is a technical group in the T2S governance structure. It is constituted jointly by, and subordinated to, the Steering Level bodies (i.e. CSD Steering Group (CSG), Market Infrastructure Board (MIB), and Non-Euro Currencies Steering Group (NECSG)).

2. Mandate

- The DCPG serves as an additional channel for T2S related communications between the DCP community and the CSDs/NCBs about the services, functions and developments in T2S. The primary role of the DCPG is to track and monitor matters and general concerns relevant to DCPs in their capacity of CSDs/NCBs customers. The DCPG is a conduit for specific exchange of information that is relevant to the DCPs in connection with ongoing activities in T2S (including for example: release management and deployments, changes to messaging formats, incident management and other similar operational matters as well as best operational practices for DCPs in their usage of T2S).
- The DCPG maintains an issue register, i.e. a register of the status and resolution of these matters and general concerns, indicating who has agreed to take what action and by when (e.g. a technical group in the T2S governance, the CSG, the NCBs and/or the MIB/ECB Team).

¹ Cfr. Article 1.4 and 19.b of T2S Framework Agreement.

- The DCPG has no mandate to resolve these matters and general concerns. Topics related to the service offering of a specific CSD/NCB to their customers (including the monitoring of the ability of their customers to operate within T2S) are not part of the DCPG mandate: these issues are discussed bilaterally between the CSD/NCB and its clients.
- The DCPG mandate shall be reviewed every three years commencing on the date of its approval by the MIB; it shall expire with the termination of all FAs and all CPAs;

3. Composition and term

3.1 Chairperson

The DCPG shall determine by consensus the appointment of the Chairperson of the DCPG amongst the DCP members on the basis of his/her expertise, after consulting the relevant Steering level bodies (i.e. CSG, MIB and NECSG). The Chairperson shall be present at the CSG and AMI-SeCo meetings. The Chairperson shall be entitled to designate an alternate to replace him/her in exceptional circumstances.

The Chairperson shall have the following tasks and responsibilities:

- determine the frequency and agenda of the meetings;
- conduct the DCPG meetings;
- invite external experts and/or participants of other T2S stakeholders/groups to DCPG meetings on specific topics;
- report on the work of the DCPG to the CSG, NECSG and the Market Infrastructure Board and inform the AMI-SeCo.

3.2 Secretary

The Secretary, shall be a staff member of the ECB and shall have the following administrative tasks and responsibilities:

- support the Chairperson in the preparations for the DCPG meetings and the reporting/updating to CSG, NECSG, MIB and AMI-SeCo;
- coordinate the organisation of the meetings and preparation of relevant documents, in agreement with the DCPG Chairperson;
- update the issue register as agreed in the DCPG meetings.

3.3 Participation

The DCPG is composed of members nominated as described in the following paragraphs. Each member shall be entitled to designate an alternate to replace him/her in exceptional circumstances who shall attend the meetings and may express views on his/her behalf. Such alternates must be notified to the Secretary sufficiently in advance.

3.3.1 DCPs

Each DCP that has been authorised as such by one or more CSDs is entitled to nominate one participant to the DCPG. Even before the DCP authorisation process is completed, each DCP that has provided a binding commitment to request this authorisation is entitled to nominate one participant to the DCPG.

3.3.2 DCPs on the cash side only

Several entities indicated under 3.3.1 have also been authorised (or intend to request authorisation) by one or more NCBs for the cash side. However, there may be DCPs for the cash side only (also called "DCA Holders"). These entities are entitled to nominate one participant each, up to a maximum of three DCA Holder participants in total. In case of more than three nominations, the three available places will be rotated amongst all interested DCA Holders.

3.3.3 CSDs

CSDs that have signed the T2S Framework Agreement and that have declared their intention to offer DCP services are entitled to nominate one participant each.

3.3.4 CBs

Central Banks that have declared their intention to offer DCP services are entitled to nominate one participant each.

3.3.5 Observers

A member of the ECB staff with a certain level of seniority is an observer at the DCPG.

3.3.6 Others

The DCPG Chairperson may invite additional persons from the above entities or from additional entities whenever deemed beneficial for the discussion about DCP-related topics.

4. Reporting

The DCPG Chairperson reports on the outcome of DCPG meetings to the Steering level bodies. This is done in writing to the CSG, NECSG and MIB. In addition, the DCPG Chairperson normally reports in person at the CSG meetings. The DCPG is under no obligation to take instructions from the Steering level bodies, since its mandate is limited to tracking and monitoring the general concerns which are relevant to DCPs.

The DCPG Chairperson also informs the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) on its work on a regular basis.

5. Working procedures

5.1 Meetings

The DCPG shall meet at the ECB or hold its meetings by means of teleconferencing.

The Chairperson shall decide on the agenda for each meeting. Any DCPG participant can propose items for the agenda of future meetings. The agenda of each DCPG meeting is approved at the beginning of the meeting.

Meeting documentation will be circulated sufficiently in advance of meetings (at the latest five T2S Settlement Days prior to a DCPG meeting) unless otherwise agreed by the DCPG. The issue register shall also be updated and circulated to all DCPG participants at the latest five T2S Settlement Days prior to a DCPG meeting.

5.2 Interaction and information exchange

The DCPG may decide to issue consultations or questionnaires within the scope of its mandate.

5.3 Transparency

All relevant documentation and information shall be made available in a secure workspace, accessible to all DCPG members.

All meeting outcomes as well as the issue register raised with the DCPG shall be made available to the public on the ECB website. The DCPG issue register is maintained and updated prior to and after each DCPG meeting.

Any publication of documents must be in line with article 29 of the FA and CPA.