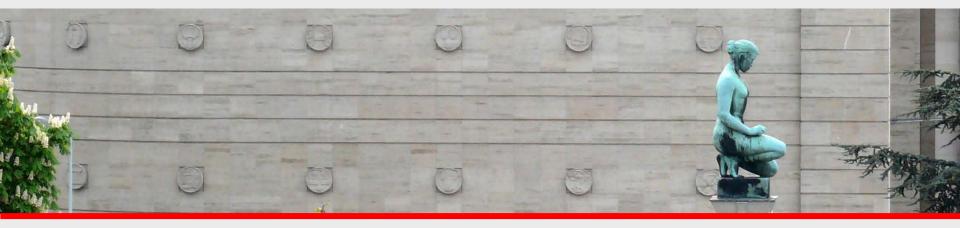# NBB-SSS Adaptation plan to T2S

T2S Framework Agreement Signing Ceremony
Frankfurt May 8th, 2012

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OF BELGIUM
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1. Who are we?

► NBB-SSS = NCB-CSD

► Since 1991

► Belgian fixed income

- state (2/3)
- non-state (1/3)

► Outstanding amount issued (€ 530 bn)

► Number of transactions (2011: 600 000)

Transactions Settled

2. The new software (1)

► Existing software: built in 1991

► Options:

- In-house:
  - expensive to build
  - maintenance: future T2S-adaptations/releases be paid by 1 party
- Software company:
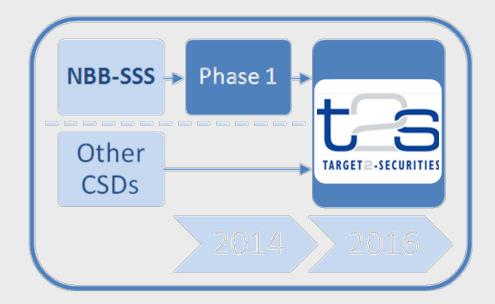 - too much time and input from our side

2. The new software (2)

- External solution: RfP (March 2011)
  - existing CSD, or
  - software already used by other CSDs
- Final choice: Montran Software
  - = runs on NBB's preferred IT-architecture
  - HW: Sun-solaris
  - DB: Oracle
  - Web interface: without local apps

3. The 2 phase approach: What?

► Phase 1: New software in Q4.2014 (01-12-2014)
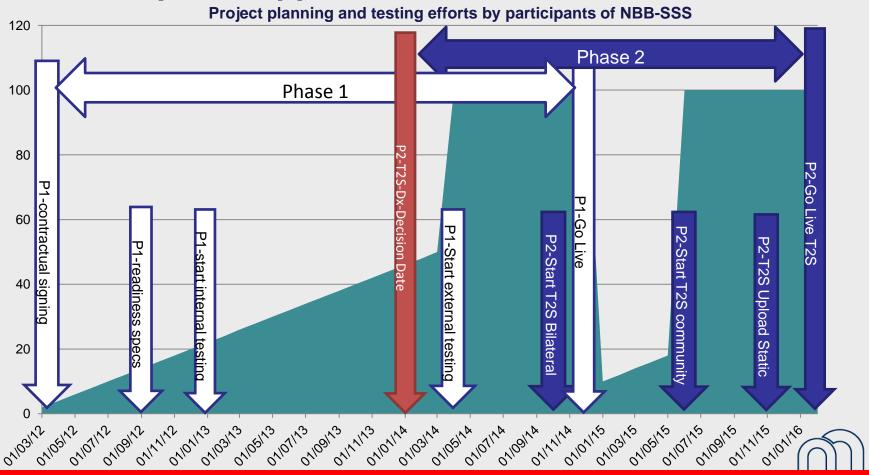
► Phase 2: T2S Connection in Q1.2016

3. The 2 phase approach: Purpose

► Reduction of operational risk

► Independent from

- The timing of T2S
- The migration wave *(except wave 1)*

► Many new T2S features will be available in 2014:

- New state-of-the-art features
- Maximum compliance with the latest market standards
- Our participants
  - will be > 80 % T2S-compliant
  - can rationalize tools, interfaces and procedures ahead of T2S
- Reduction of the Giovannini barriers

3. The 2 phase approach

Project planning and testing efforts by participants of NBB-SSS

Phase 1

Phase 2

P1-contractual signing

P1-readiness specs

P1-start internal testing

P2-T2S-Dx-Decision Date

P1-Start external testing

P2-Start T2S Bilateral

P1-Go Live

P2-Start T2S community

P2-T2S Upload Static

P2-Go Live T2S

4. Phase 1: Features split-up by category

► New T2S compliant features for NBB-SSS

► Features remaining NBB-SSS specific

► Features abandoned

NBB-SSS Adaptation Plan to T2S

4.1 Phase 1: New T2S compliant features

- BIC11-codes to identify NBB-SSS participants
- T2S Securities Account Number structure
- T2S matching rules
- Prioritisation
- Partial settlement
- Linked instructions
- Hold and release
- T2S recycling rules
- Market claims & transformations
- New STP messages (ISO 20022)

4.2 Phase 1: NBB-SSS Specific features

- X/N system
- Automatic lending
- New NBB-SSS GUI
- Repo
    - Optional service
    - NEW: Same Day Repo

4.3 Phase 1: Abandoned features

- Settlement Cycles
- Sending number
- Unilateral cancellation
- Account segregation for foreign currency assets
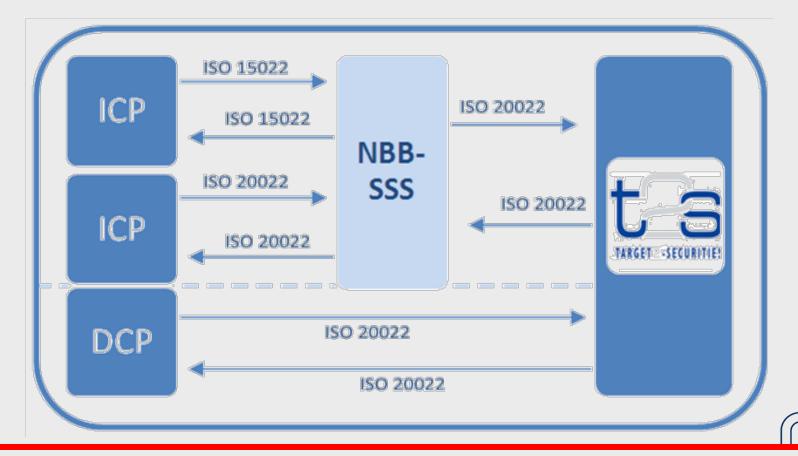- NBB Notification types ⟹ ISO instruction types
- Reservations

5. Phase 2

► Important new T2S functions:

- Direct communication with T2S: ISO 20022
- Night-time settlement
- Automated cross-border settlement
  - activation of links between CSD's
- Auto-collateralisation
- Cash settlement via T2S Dedicated Cash Accounts (DCAs), no more DLNS
- Conditional settlement (CoSD)

5. Phase 2: ISO 15022-20022 conversion

6. Our participants' involvement

► Governance

  - User Committee

  - Q & A sessions

► Technical and Budgetary impact - 2013!

► Appointment of a SPoC

► NEW: Discussion forum:

  - SharePoint site

  - t2s.sss@nbb.be

7. SharePoint

► Participant discussion forum:

- Team discussions about T2S
- T2S related sites-shortcuts
- T2S-calendar for
  - meetings
  - key synchronisation points
  - deadlines
- T2S-documents
- Surveys on T2S topics & Harmonisation

► Presentation on www.nbbsss.be

Thank You

NBB-SSS Adaptation Plan to T2S