



SETTLING
WITHOUT
BORDERS

A single securities settlement engine in Europe

T2S is a project implemented by the Eurosystem (the European Central Bank and the national central banks of the euro area) with the aim of creating a single securities settlement engine in Europe. T2S will provide central securities depositories (CSDs) with a centralised service for delivery-versus-payment (DvP) settlement of securities transactions in central bank money at low cost, irrespective of whether transactions are settled at the national level or across national borders.

Once T2S enters into operation in June 2015, a single set of rules, standards and tariffs will be applied to all transactions across all T2S markets. T2S will thus help to overcome the complexity and fragmentation of the current European market infrastructure. T2S will be neutral with respect to all markets and business models.

T2S was conceived as a multicurrency system. It will extend beyond the euro area, enabling the interested non-euro area central banks to connect to T2S with their currencies. Securities will be settled against euro as well as against any available non-euro currencies.

T2S will integrate onto a single IT platform both the market participants' securities accounts, held with either one or multiple CSDs, and their dedicated central bank cash accounts, held with the respective national central bank. To know more about how T2S will work in practice, watch the T2S Animation in the Videos section at **www.t2s.eu**



Making Europe a better place to invest

T2S constitutes the infrastructure necessary to set up a single European market for securities services. By making post-trading in Europe more secure and more efficient, T2S will contribute to making Europe a better place to invest.

T2S will streamline the settlement process in Europe:

- by enabling banks to streamline and potentially consolidate their back offices;
- by fostering the harmonisation of services, rules and market practices in many crucial areas.

T2S will enhance freedom of choice in the securities settlement industry in Europe:

- by increasing transparency, openness and competition between European CSDs;
- by separating the “infrastructure” from the “service”, giving customers in T2S more freedom of choice as regards where they want to trade and settle.

T2S will reduce the cost of settling securities transactions in Europe:

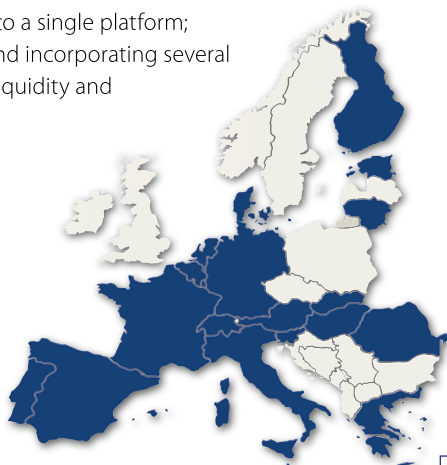
- by substantially reducing fees for settling across national borders;
- by stimulating competition among CSDs;
- by creating a multicurrency system capable of settling euro as well as non-euro currencies.

T2S will reduce risk in the post-trade environment in Europe:

- by delivering real-time gross settlement in central bank money in domestic markets as well as cross-border;
- by integrating securities and cash accounts onto a single platform;
- by providing in effect a single collateral pool and incorporating several features that aim to help banks optimise their liquidity and collateral management.

To know more about how T2S will create a truly single collateral pool, watch the video “T2S - a single gateway for your collateral management” in the Video section at

www.t2s.eu





**SETTLING
WITHOUT
BORDERS**

The T2S Community

The T2S Community comprises all the stakeholders in the project, i.e. the 23 European CSDs that have already signed up for T2S, the central banks of the Eurosystem, the Danish central bank, which has decided to allow settlement of the Danish krone in T2S as of 2018, the service providers, and banks and other market participants. The T2S Community remains open to other markets and currencies that may decide to join in the future.

The governance of T2S is structured so as to ensure the successful launch of the platform in 2015 and its smooth operation thereafter. The Governing Council of the European Central Bank has entrusted the T2S Board with the task of delivering the system in line with market expectations, on time, and within budget. Members of the T2S Community are represented at various levels of the governance structure, thus ensuring that T2S meets the needs of the market. T2S is being developed and will be operated by four Eurosystem central banks, referred to as the “4CB” (Deutsche Bundesbank, Banque de France, Banco de España and Banca d’Italia). Connectivity to the T2S platform will be provided by SWIFT and a consortium composed of SIA and Colt.

Harmonisation

Post-trade harmonisation is a key objective of T2S and an important component of the EU financial integration process. It complements legal and regulatory initiatives pursued by European legislators. By harmonising areas of the post-trade arena T2S can reach its full potential and bring further benefits to the European market. The objective is threefold:

- to create a single rulebook for post-trade processes that is applicable to all T2S markets;
- to protect the “lean T2S” concept, i.e. ensuring that no national specificities are replicated in the T2S operational blueprint; and
- to contribute to financial integration in Europe.

Compliance of the T2S markets with the defined harmonisation standards is monitored in a yearly report published on www.harmonisation.t2s.eu. The harmonisation work is strongly supported by the T2S Community.

More information on the T2S project:

T2S-related material is published on the T2S website at www.t2s.eu. For any specific questions on T2S, please contact us via email on t2-s@ecb.europa.eu



**SETTLING
WITHOUT
BORDERS**

CSDs migrating to T2S

The Governing Council of the European Central Bank has approved a plan of four migration waves for the CSDs that have signed up for T2S. The complete plan is displayed in the following table. The migration wave of BNY Mellon CSD (Belgium) will be decided at the end of September 2013.

First wave 22 June 2015	Second wave 28 March 2016	Third wave 12 September 2016	Fourth wave 6 February 2017
Bank of Greece Securities Settlement System (BOGS)	Euroclear Belgium	Clearstream Banking (Germany)	Centrálny depozitár cenných papierov (CDCP) (Slovakia)
Depozitarul Central (Romania)	Euroclear France	KELER (Hungary)	Eesti Väärtpaberikeskus (Estonia)
Malta Stock Exchange	Euroclear Nederland	LuxCSD (Luxembourg)	Euroclear Finland
Monte Titoli (Italy)	Interbolsa (Portugal)	Oesterreichische Kontrollbank (Austria)	Iberclear (Spain)
SIX SIS (Switzerland)	National Bank of Belgium Securities Settlement System (NBB-SSS)	VP LUX (Luxembourg)	KDD - Centralna Klirinško Depotna Družba (Slovenia)
		VP Securities (Denmark)	Lietuvos centrinis vertybinių popierių depozitoriumas (Lithuania)



www.t2s.eu

© European Central Bank, September 2013
Website: <http://www.ecb.europa.eu>