

TERMS OF REFERENCE

HSG TASK FORCE ON TECHNOLOGICAL INNOVATION IN SECURITIES POST-TRADING

1. Background

The HSG Task Force on Technological Innovation in Securities Post-Trading (Fintech-TF) was established following the HSG support of [the Fintech-TF ToR](#) on 2 December 2017. The initial focus of the Fintech-TF work was on concrete use cases for potential use cases for innovative technologies on securities post-trading¹. Since then the Fintech-TF has worked on further topics, most recently on tokenisation of securities. On June 5 the HSG agreed to revise the Terms of Reference of the Fintech-TF under the following terms of reference.

2. Objectives

The primary objective of the Fintech-TF is to support the HSG and the AMI-SeCo in assessing and forming an opinion on the potential impact of financial innovation on post-trade and the wider EU. To achieve this objective the Fintech-TF shall:

- i) Provide the HSG with analysis on how emerging technologies and may impact the existing or upcoming harmonisation activities, as well as the possible further post trade harmonisation initiatives in view of the wider EU financial integration agenda more broadly,
- ii) Function as a forum for open sharing of information by industry associations and EU authorities to the AMI-SeCo community on matters related to fintech on securities post-trade and collateral management, and
- iii) Function as an informal body that by request can provide non-binding advice on fintech-related topics from the securities post-trading perspective.

¹See the AMI-SeCo report [Potential use cases for innovative technologies in securities post-trading](#)

3. Topics to be addressed by the Fintech-TF

The work of the TF will focus on fintech issues which are relevant for post trade harmonisation, in particular (inter alia), the following:

- 1) The potential impact of fintech and innovative technologies on post trade harmonisation and post-trading more broadly;
- 2) Monitoring and analysing upcoming changes in the regulatory framework from the perspective of fintech and innovative technologies;
- 3) Interoperability between different fintech initiatives and arrangements emerging in the post-trade sphere.

4. Composition

4.1 Chairperson and secretariat

The Chair of the Fintech-TF will be appointed by the AMI-SeCo Chair.

The Chair will shall ensure regularly update the HSG on the work of the Fintech-TF, relevant developments on the potential impact of fintech on securities post-trading and advise on fintech related matters.

Based on the required expertise and topics being discussed, the Fintech-TF Chair may invite, on an ad-hoc basis, observers and external participants to present their views or fintech initiatives in the meetings.

The secretariat of the Fintech-TF will be provided by the ECB. The secretary shall support the Chairperson in preparations for updating the HSG.

4.2 Membership

The list of members of the task force is approved by the HSG, based on candidates proposed by HSG/AMI-SeCo members.

The members of the Fintech-TF shall:

- Have an appropriate level of expertise on post-trade arrangements and processes, and technical, business or legal expertise in fintech innovation;
- Be able to initiate actions and mobilise appropriate resources in their institutions in order to contribute to the Fintech-TF workplan and objectives.

4.3 Term

The Fintech-TF shall conclude its activity by 31 July 2021 but it can be renewed by the HSG, if deemed necessary.