

TERMS OF REFERENCE

TASK FORCE ON

DISTRIBUTED LEDGER TECHNOLOGIES

1. Background

On 5 July 2016, the T2S Advisory Group (AG) mandated the T2S Harmonisation Steering Group (HSG) *to support the AG in assessing and forming an opinion on the potential impact of financial innovation (e.g. Distributed Ledger Technology - DLT) on post trade and the wider EU financial market integration.*

The HSG decided to create the Task Force on DLT (DLT-TF) in order to fulfil this mandate.

2. Objective and timeline

The objective of the DLT-TF is to provide the HSG with

- i) an analysis of the potential impact of DLT, on the existing or upcoming T2S harmonisation activities as well as an analysis on possible further post trade harmonisation initiatives in view of the wider EU financial integration agenda and
- ii) proposals for potential actions and initiatives to be undertaken by the T2S community or other relevant stakeholders.

The DLT-TF is expected to regularly update the HSG on its work and provide its final deliverable to the HSG within one year following its first meeting.

3. Topics to be addressed by the DLT-TF

The DLT-TF will have the latitude to analyse any DLT issues which are relevant for fulfilling the above objective.

These includes, inter alia:

- 1) the potential impact of DLT on post trading (in particular with reference to harmonisation);
- 2) concepts for the settlement of securities against central bank money settlement on DLT basis;
- 3) DLT within the current and upcoming regulatory framework;
- 4) interoperability between different DLT initiatives and arrangements emerging in the post-trade sphere;
- 5) any other topic deemed relevant.

4. Membership

The Chairman will be appointed by the AG Chairman. The list of members of the task force is approved by the HSG, based on candidates proposed by the HSG members.

The members of the DLT-TF shall:

- have an appropriate level of expertise in financial innovation, DLT, cyber security and post-trade arrangements and processes;
- be able to initiate actions and mobilise appropriate resources in their institutions in order to contribute to the intensive DLT-TF workplan and objectives.

Based on the required expertise, the DLT-TF chairperson may invite, on an ad-hoc basis, observers to present their views in the meetings.

The secretariat of the DLT-TF will be provided by the ECB.

5. Expiry of mandate

The mandate of the DLT-TF expires on 31 December 2017. The mandate can be renewed by the HSG, if deemed necessary.