



**BNY MELLON**  
ASSET SERVICING

**Paul Bodart** Executive Vice President

Mme Agnes Van den Berge  
Département Marchés Financiers  
**National Bank of Belgium**  
Boulevard de Berlaimont, 14  
B-1000 Bruxelles  
Belgium

May 5, 2008

Dear Mme Van den Berge,

Re : Eurosystem Consultation on CCBM2 User Requirements

With this letter, I would like to set out The Bank of New York Mellon's evaluation of the CCBM2 project, and respond to the Eurosystem's request for comments on the draft CCBM2 User Requirements (as announced in a Eurosystem press release dated February 26, 2008). I would also like to express my appreciation for the very helpful and constructive approach taken by the National Bank of Belgium in its consultation and dialogue with the banking community in Belgium.

The Bank of New York Mellon (BNYM) supports the CCBM2 project. We believe that the project represents a significant step forward in the building of efficient, secure, cost-effective and consolidated market infrastructure for the euro area. We believe that the full benefits of CCBM2 will be realised only once its use is generalised across the euro area, and therefore urge all euro area NCBs to adopt the platform.

We believe that the CCBM2 should be conceived as key collateral management infrastructure that functions within a broader array of collateral management tools. Specifically we believe that CCBM2 should be compatible, and be able to communicate, with external collateral management systems, such as the triparty services offered by the ICSDs and other international providers, including triparty services such as offered by The Bank of New York Mellon. We support the triparty operating models the European Repo Counsel outlines in its consultation feedback dated 18<sup>th</sup> December and which it further elaborated on in its 24<sup>th</sup> of April submission with regards to triparty eligibility screening. It describes an efficient and secure process of collateral management widely used by market practitioners. We also believe that the CCBM2 system should be designed so that it has the technical capability to accept non-euro area collateral. Given the global nature of collateral and the impact on global liquidity of economic events, it is important to ensure that liquidity can be raised and mobilized in required areas.

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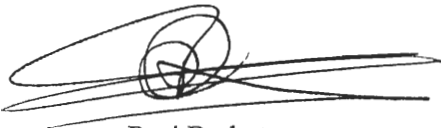
We believe that a generalised use of CCBM2 will support a process of easing the current technical restrictions on the use of cross-border collateral expanding to collateral outside the EURO zone.

We believe that CCBM2 should act as a catalyst for harmonisation of national specificities. CCBM2 should allow all banks in the euro area to benefit from best practices in collateral management techniques. We believe that national specificities should either represent best practice (in which case they should be generalised across the euro area), or should be phased out as they act as barriers to the integration of European financial markets.

We urge the Eurosystem to render CCBM2, TARGET and TARGET2-Securities as compatible as possible, and specifically to ensure that communications with the three services are as harmonised and interoperable as possible.

To conclude, I would like to thank the Eurosystem for the opportunity to comment on the CCBM2 project.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and horizontal strokes, positioned above the name Paul Bodart.

Paul Bodart

Cc: Daniella Russo (European Central bank)