



European Central Bank
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T2S consultation paper: general principles and high-level proposals

The Baltic markets have not yet formed National User Groups and therefore SEB's three subsidiaries (SEB Eesti Ühispank, SEB Latvijas Unibanka and SEB Vilniaus Bankas) as leading providers of custody services in Baltic markets will welcome the opportunity to comment on the principles and proposals for user requirements concerning T2S. The three SEB subsidiaries will be in contact with other banks in the respective market, OMX Group as owner and operator of the Stock Exchanges, the National CSD's and other involved units.

SEB as a group will also have a joint approach for all markets where post-trade services are offered, especially so in the 7 Nordic and Baltic markets as they are all operating under similar conditions and where the cross-border investor drive is basically one and the same, to utilise a regional approach.

Analysing the document our main concerns are following:

- We believe that exact definitions are cornerstones of a so sophisticated project as T2S and absence of definitions can mislead markets' participants and cause possible misunderstandings.
- Although the proposals are in very high level we would still need more information in order to give our acceptance to these. In our opinion national user groups should carry the responsibility to explain the proposals in detail to market participants.
- Costs related to T2S project to CSD-s and further to market participants cause uncertainty among market participants in Baltics. We would like to know beforehand which are costs related to the project and how they will be allocated between possible direct users of T2S. Depend on that information market participants can start to work out their own business model. The costs are also important to CEE markets because obviously transaction costs in Baltics are lower compared to European and higher fees for end-clients can cause opposite effect to the goal of T2S.
- Harmonisation of rules and procedures is presumption for success of TS2. Therefore, we agree only to unified rules, procedures, deadlines which are worked out jointly with market participants.
- Baltic markets participants consider essential multi-currency settlement possibilities in T2S.
- We would like to have more information about possibilities of account structure. Estonian market bases on beneficial account structure as many other markets. The



question is whether all accounts should be replicated to T2S and how that influence efficiency.

Yours Sincerely

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