

Principle	Statement	Comment	Institution
1	I completely disagree	<p>It would be impossible for the management of a CSD and for the Board of Directors to approve giving away one of the 2 core functions of the CSD, settlement, without being presented with a concrete proposal that would ensure the smooth functioning of the C&S for the market it serves and without receiving tangible returns. Anyway, for a listed company such as HELEX, such a decision should be taken by the General Meeting of the Shareholders which must be convinced that the financial position of the company and the value of their investment is not diminished.</p> <p>T2S can only be seen as an outsourcing project of a large scale and scope (IT out sourcing for the development phase, settlement platform outsourcing for the operational phase). In any case of outsourcing CSDs should examine a number of criteria before making a decision. Such criteria have been set out</p> <p>Additionally, as stated in the CESR-ECB standards, to outsource settlement activity a CSD should also obtain prior approval by its regulator and ensure that the insourser meets the standards/rules set out by the regulator for the operation of the settlement system in its market.</p> <p>As Eurosystem, to our knowledge, is not a legal entity by itself, it should be clarified which is the legal entity that will take over the development and which the operation of the T2S.</p>	HELLENIC EXCHANGES S.A.

1	I agree	<p>The Eurosystem as technical outsourcing service provider shall take on the responsibility of delivering T2S by assuming full ownership, and by undertaking the development and operation of the platform. The Specifications for Development, and System Operation, will be subject to Service Level Requirements agreed between the Eurosystem and the CSD which is outsourcing its settlement functions. It will be ensured that the Eurosystem will fulfil all legal, regulatory and supervision requirements for outsourcing service providers (for banks) in the respective national legal environments. The continued evolution of the platform will be ensured and will be subject to mutual agreement with CSD members.</p> <p>As Eurosystem, to our knowledge, is not a legal entity by itself, it should be clarified which are the contracting parties in charge of building, developing and operating T2S vs. the CSDs.</p> <p>Nevertheless the preferred option will be:</p> <p>For the Implementation Phase it is proposed to set-up a Public Private Partnership (PPP) procured by a Joint Venture Stock Company in which the Eurosystem and the respective CSD participating in the T2S System are represented, the latter in relation to the transaction volume of the markets they represent.</p> <p>Initially, the Joint Venture Stock Company, which is advised and supported by an User Council, serves as a Project Company to implement and roll-out T2S.</p> <p>For the future Operating Phase after implementation of the T2S System in the market, we propose to consider several options which should be decided upon at a later stage of the project, when more details are clarified:</p> <p>The Joint Venture Stock Company will be migrated from a Project Company to an Operating Company responsible for operating, maintaining and further developing T2S or</p> <p>A new Operating Company subject to a “Code of Conduct” and stringent Service Level Agreements is founded or</p> <p>ECB will take over the sole responsibility for operating and maintaining the system whereby CSDs and users take a more advisory role with certain reservations of consent or rights of proposal regarding further developments.</p>	CLEARSTREAM
1	I do not agree entirely	<p>The Eurosystem itself is not a legal entity that could have the appropriate (legal) responsibility, therefore the ownership structure has to be further clarified.</p>	Estonian CSD and Sampo Pank
1		<p>Further details on what is meant by “fully owned and operated by the Eurosystem” would be helpful along with the structure to be defined by the Governing Council.</p>	APCIMS
1	I agree	<p>Who is the contractual partner for the outsourcing CSD? Is this the ECB?</p>	Eurex Clearing AG

1	I do not agree entirely	We would like to understand better how accountability, maintenance etc will be undertaken.	Capita Registrars
1		appear to be forgone conclusions; we would prefer that these topics will be decided on by taking into account the detailed technical, legal and economic analysis to be performed by the end of 2007.	ESF
1	I do not agree entirely	<p><u>Ownership:</u> ok. "undertaking" o.k. if understood as assuming responsibility, not o.k. if it means that T2S should actually be developed and operated by the Eurosystem itself.</p> <p><u>Structure to be defined by the GC:</u> the structure should already have been defined; the Eurosystem itself (not even being a legal entity) would not be a structure whose degree of organisation would allow IT-business to be efficiently and successfully conducted; the Eurosystem should set up a separate legal entity for the purpose of pursuing T2S as a business case</p>	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
1	I agree	Please define 'market' more precise into categories	Dutch market
1	I do not agree entirely	<p>The Eurosystem as technical outsourcing service provider shall take on the responsibility of delivering T2S by assuming full ownership, and by undertaking the development and operation of the platform. The Specifications for Development, and System Operation, will be subject to Service Level Requirements agreed between the Eurosystem and the CSD which is outsourcing its IT-Systems regarding settlement processing. It will be ensured that the Eurosystem will fulfil all legal, regulatory and supervision requirements for outsourcing service providers in the respective national legal environments. The Eurosystem will be obliged to further evolve the platform subject to the requirements of the CSDs.</p> <p>As Eurosystem is not a legal entity by itself, it should be clarified which are the contracting parties in charge of building, developing and operating T2S vs. the CSDs.</p>	ECSDA
2	I completely disagree	<p>The implementation of T2S, on the basis of a T2 platform is a technical decision that should be taken only after evaluation of alternative solutions.</p> <p>For this reason, in line with good procurement practices set out by EU as well, a PanEuropean RFP should be issued, inviting all interested parties that feel able to implement T2S to deposit their proposals (technical, economical, operational). The decision on the entity that will develop and operate the platform and which will insource all settlement from the Euro CSDs should be based on the evaluation of the alternative proposals taking into consideration a set of agreed and transparent criteria.</p> <p>Beforehand, the requirements for T2S, including those of availability, resilience, recovery time, security, should be identified and agreed without the constraint of the T2 technical platform and operational environment.</p>	HELLENIC EXCHANGES S.A.

2	I completely disagree	The use of T2 as a basis for T2S is a design decision that should only be taken once the requirements for T2S have been identified and agreed. Otherwise the functionality of T2S will be constrained by the technical limits of T2 that have yet to be identified or understood. Therefore until alignment on the requirements has been reached we cannot agree that such a solution would, or would not, be appropriate. For example it should be foreseen that T2S will need to have greater accessibility and availability than T2 (we would expect 24/7 to be required) and hence it is possible that these requirements would not fit with the structure of T2. There was no RFP process regarding developing and operating and therefore we would like to better understand why the T2 platform has been identified as most efficient platform for T2S.	CLEARSTREAM
2	I do not agree entirely	The functionalities of T2S should not rely on the possibilities of TARGET2. The functionalities of T2S should be put down separately and, only if possible and to the extent practicable, the synergies with TARGET2 could be sought. Having two systems based on the same platform could easily create additional risks for both systems.	Estonian CSD and Sampo Pank
2	I do not agree entirely	We recommend to specify the requirements first before making a final platform decision.	Eurex Clearing AG
2	I do not agree entirely	We do not understand how the system could be built on the same technical platform as TARGET2. More detail is needed.	Capita Registrars
2		appear to be forgone conclusions; we would prefer that these topics will be decided on by taking into account the detailed technical, legal and economic analysis to be performed by the end of 2007.	ESF
2	I completely disagree	<u>Target2 as platform for T2S:</u> to identify the platform best suited for T2S a proper analysis must be conducted; in the absence of such an analysis no decision regarding the platform may be made as there is no sufficient evidence that Target2 would be the best suited platform; <u>4 NCBs ready to develop & operate T2S:</u> the IT providers best suited for the development and/or operation of T2S can only be identified by conducting two separate tender offer processes (one for the development, one for operation); in the absence of results of such tender offer-processes : there is neither sufficient evidence that the 4 NCBs are the best suited IT providers, nor sufficient evidence for any other IT provider to be the best suited provider and to be appointed by the Eurosystem; the members of the Eurosystem would be prohibited by public procurement regulation from appointing anyone to provide IT services.	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
2	I completely disagree	T2S must not exclude the re-use of other existing platforms (such as Euroclear)	Dutch market

2	I completely disagree	<p>The use of T2 as a basis for T2S is a design decision that should only be taken once the requirements for T2S have been identified and agreed. Otherwise the functionality of T2S will be constrained by the technical limits of T2 that have yet to be identified or understood. Therefore until alignment on the requirements has been reached we cannot agree that such a solution would, or would not, be appropriate. For example it should be foreseen that T2S will need to have greater accessibility and availability than T2 (we would expect 24/7 to be required) and hence it is possible that these requirements would not fit with the structure of T2. In addition, it should be explored whether it is safe from risk perspective to run two systemically important systems on the same platform. Since there was no RFP process followed regarding the development and operation of T2S we would like to better understand why the T2 platform has been identified as most efficient platform for T2S.</p>	ECSDA
3	I do not agree entirely	<p>ECB should prove without doubt that settlement processing can be separated from the other CSD services in an efficient and cost effective way. In the consideration of the implications for the CSD from the outsourcing of settlement processing, the possibility should be noted for the CSDs to engage on a complete redesign of the existing high level and low level functionality in the asset servicing area.</p>	HELLENIC EXCHANGES S.A.

3	I do not agree entirely	<p>We take note that the scope of T2S is limited to providing an IT platform for core settlement processing and the Eurosystem should be fully coherent with this approach.</p> <p>One question is whether the ECB feels comfortable that effecting all transfers on the centralised platform will not put in question which laws governs the ownership aspects of securities holdings and transfers. If the answer is the law of the place of the establishment of the CSD, which legal basis is used for this conclusion.</p> <p>The legal framework of settlement must be defined.</p> <p>CSD will provide the settlement services whereas the Eurosystem provides IT processing of the CSD services. Nevertheless the preferred option will be:</p> <p>For the Implementation Phase it is proposed to set-up a Public Private Partnership (PPP) procured by a Joint Venture Stock Company in which the Eurosystem and the respective CSD participating in the T2S System are represented, the latter in relation to the transaction volume of the markets they represent. Initially, the Joint Venture Stock Company, which is advised and supported by an User Council, serves as a Project Company to implement and roll-out T2S.</p> <p>For the future Operating Phase after implementation of the T2S System in the market, we propose to consider several options which should be decided upon at a later stage of the project, when more details are clarified:</p> <p>The Joint Venture Stock Company will be migrated from a Project Company to an Operating Company responsible for operating, maintaining and further developing T2S or A new Operating Company subject to a "Code of Conduct" and stringent Service Level Agreements is founded or ECB will take over the sole responsibility for operating and maintaining the system whereby CSDs and users take a more advisory role with certain reservations of consent or rights of proposal regarding further developments.</p>	CLEARSTREAM
3		the proposition that the T2S settlement is to be "used by CSDs for the benefits of their users" should be strengthened by a requirement for CSDs to pass on benefits derived from T2S in a transparent and undistorted manner.	ESBG
3	I agree		Estonian CSD and Sampo Pank

3		In order to support this project, the market needs to be convinced that corporate actions processing will be handled appropriately where settlement and corporate actions processing are not handled by the CSD. Doubt has been expressed by some CSD participants as to whether this is achievable. It is essential that the Technical Group includes representatives with detailed knowledge of corporate actions processing to address technical issues in relation to corporate actions. For instance, how would T2S be aware that securities relating to a non T2S settling transaction had an increased number of shares, been removed or otherwise amended. Furthermore, issues in relation to processing of corporate actions in both T2S and non-T2S currencies should be addressed. The market should then be given sufficient time to comment on the T2S detailed proposal for corporate actions processing. Furthermore, if CSDs will be required to carry out custody functions, it would appear likely that they will need to retain most of their systems with an additional requirement to reconcile data with T2S. If that is correct, the extent of the cost savings expected by the ECB is less likely to arise.	The Irish Stock Exchange and The Irish Bankers Federation
3		Whilst it is clear that T2S is intended purely as an IT settlement service, there needs to be clarification in respect of, for example, corporate actions that involve both a T2S and non-T2S currency (such as the Euro and Sterling).	APCIMS
3	I agree	Nevertheless it is our sincere hope, that this common platform helps to harmonize processes across the different markets. Key pre-requisite for this is a sound legal basis for the settlement across different jurisdictions.	Eurex Clearing AG
3	I do not agree entirely	This means that CSD platforms cannot be decommissioned which has a significant impact on the cost and feasibility of the process.	Capita Registrars
3		too restrictive. The principle should not create a prohibition on future developments of centralised technical solutions or messaging functionalities that will be of benefit to the market as a whole.	ESF
3	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG

3	I completely disagree	In a political sense the Dutch market is in favour of a fully fledged European CSD, functionally we do agree to start the first phase only providing settlement services.	Dutch market
3	I agree		Euroclear Nederland
3	I do not agree entirely	We take note that the scope of T2S is limited to providing an IT platform for core settlement processing and the Eurosystem should be fully coherent with this approach.	ECSDA
4	I do not agree entirely	It will have to be proved, through a thorough impact analysis after the requirements are defined, that it will be technically feasible and financially viable to keep a large number of end-client accounts at the CSD and also with the central system (T2S) (account mirroring). The operation of transparent direct holding system by a market structure should not be penalised through an adverse cost effect in terms of communication or other related costs. For legal reasons (having to do with the legal location of the account for the applicability of the choice of law rule - Hague Convention) and operational risk reasons (extended notary function and registration at end-client level is performed by the CSD), the finality should be achieved at the CSD accounts, therefore the securities accounts at T2S should be a mirror of those held in the CSD.	HELLENIC EXCHANGES S.A.
4	I do not agree entirely	While we agree on the principle as described, in the explanation the conclusion should be drawn that, as legal obligations remain with the CSD, it is necessary that decision taking on the set-up and future development of T2 requires the buy-in of the outsourcing CSDs. CSDs will have to continue to perform regulatory requirements based on the respective national legislation and therefore T2S must technically provide a solution supporting those requirements. (e.g. notary function, end-investor account, etc.).	CLEARSTREAM
4	I completely disagree	We agree that the users securities accounts should legally remain attributed to each CSD, however, we do not consider it to be technically feasible to have all securities accounts in T2S environment. At least in case of beneficial account structure it is likely to be very problematic and could certainly create additional costs.	Estonian CSD and Sampo Pank
4		It would appear that there will be an increase in duplication of static data between CSDs and T2S. This will also require CSDs to reconcile their data with T2S, which may add to inefficiencies and ultimately to the costs of market participants.	The Irish Stock Exchange and The Irish Bankers Federation
4	I agree	No comment.	Eurex Clearing AG
4	I agree	We look forward to more detail relating to legal ownership.	Capita Registrars
4		should be amended by outlining a solution in regard of issuer CSD functionality should the respective CSD not choose to become a T2S participant.	ESF

4	I agree	This follows unavoidably from principle 3 (T2S is only an IT settlement system)	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
4	I completely disagree	See the comment on principal 3 : "In a political sense the Dutch market is in favour of a fully fledged European CSD, functionally we do agree to start the first phase only providing settlement services."	Dutch market
4	I do not agree entirely	While we agree on the principle as described, in the explanation the conclusion should be drawn that, as legal obligations remain with the CSD, it is necessary that the Eurosystem is obliged to comply with decision taking by the CSDs and to set-up and future develop according to the requirements of the outsourcing CSDs. CSDs will have to continue to perform regulatory requirements based on the respective national legislation and therefore T2S must technically provide a solution supporting those requirements. (e.g. notary function, end-investor account, etc.). This solution should be included in the standard functionality of T2S in such a way so that CSDs are not penalised through an adverse cost effect both in terms of additional development costs and in terms of communication, transaction and other related costs.	ECSDA
5	I do not agree entirely	Currently the users have access to the CSD at real-time and perform functions (eg. securities blocking, enrichment, give-up, take-up) that require the maintenance of securities balances within the CSD platform. It is not clear whether such real-time services will be offered by T2S and how the current level of service will continue to be offered to CSD clients. Even in the worst-case-scenario where only end-of-day balances will be offered by T2S, CSD processing for these services requires maintenance of relevant databases and account structures, and therefore does not decrease the CSD running costs. Overall, the account and database structure that is needed for settlement would still need to be present in the CSD and the only modules that would be obsolete would be the actual settlement modules (eg optimization, dvp, fop modules etc). Therefore, the duplication target is perceived unattainable or difficult to practically achieve with concomitant repercussions on the running costs.	HELLENIC EXCHANGES S.A.
5	I do not agree entirely	Additionally, current levels of performance and efficient use of liquidity also need to be maintained at a minimum for all ent-to-end services and end-to-end processes. <i>Technical performance considerations may require the maintenance of positions within the CSD.</i>	CLEARSTREAM

5		it is recommended that the possibility to also use interim ISIN or interim securities numbers or common codes be contemplated	ESBG
5	I do not agree entirely	The question of what exactly is considered as "current level of functionality" - that should be clarified. We are also concerned that on practical level it would be difficult to combine all CSDs' distinctive features so that the principle could be fulfilled.	Estonian CSD and Sampo Pank
5		If CSDs will be required to carry out custody functions, it would appear likely that they will need to retain most of their systems with an additional requirement to reconcile data with T2S. If that is correct, the cost savings expected by the ECB are unlikely to arise. Transfer of title to Irish securities does not take place on a real-time basis as electronic transfer of title does not apply. Will non-ETT transfer of title be accommodated in T2S? This would seem to require links with registrars.	The Irish Stock Exchange and The Irish Bankers Federation
5		Whilst the objective of T2S is to provide a level of functionality that frees CSDs from maintaining securities balances on a separate platform, this will not be possible for those CSDs such as Euroclear who settle in non-Euro denominated currencies (assuming that Euroclear joins T2S).	APCIMS
5	I do not agree entirely	Current level of functionality for multi currency settlement (in Non-Euro currencies) needs to be included additionally in order to prevent duplication and cost consuming parallel processing. This is necessary in order to support European instruments, denominated in Non-Euro / Non-EU currencies (e.g. USD / JPY).	Eurex Clearing AG
5	I do not agree entirely	This seems to be contradictory to principle 3.	Capita Registrars
5		should not be used to justify unduly complex functionalities on T2S that may bring actually little benefit to CSD users (see also comments on Principles 17 and 20 below).	ESF
5	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
5	I completely disagree	See the comment on principal 3, and moreover: the T2S service level shall allow CSDs to offer their participants, at a minimum, a minimum standardized and harmonized level of functionality and coverage of assets.	Dutch market
5	I do not agree entirely	At this stage we are not convinced that CSDs will be able to decommission their settlement infrastructure (see ECSDA decommissioning paper). Additionally, current levels of performance and efficient use of liquidity also need to be maintained at a minimum. T2S should also offer the same level of efficiency and the same level of security as of today	ECSDA

6	I do not agree entirely	For securities account balances only to be changed in T2S, T2S should provide the functionality of servicing of a number of asset servicing actions, such as the processing of non-intermediated OTC transfers, processing of corporate actions, placement of blockings and encumbrances on securities balances, resolving of inheritance, etc in an effective way. Moreover, effecting all transfers on the centralised platform should not put in question which laws governs the ownership aspects of securities holdings and transfers.	HELLENIC EXCHANGES S.A.
6	I do not agree entirely	CSDs will define the outsourcing. For example securities settlement account balances might only be changed in T2S, while all (register) account keeping with regard to notary functions is performed by the Issuer CSD on its platform. Additional information about the level of granularity of accounts is requested, concerning which level might be mandatory or optional per market and how these would fit together for the purpose of cross-border transactions.	CLEARSTREAM
6	I completely disagree	We agree that the users securities accounts should legally remain attributed to each CSD, however, we do not consider it to be technically feasible to have all securities accounts in T2S environment. At least in case of beneficial account structure it is likely to be very problematic and could certainly create additional costs.	Estonian CSD and Sampo Pank
6		Will links be necessary to registrars, which are used by issuers in Ireland and the UK? Also, stamp duty is levied on transactions on shares in Ireland and the UK and is currently collected by the CREST system, which provided a feed to the Irish and UK Revenue. Will this remain a responsibility of the CSD?	The Irish Stock Exchange and The Irish Bankers Federation
6	I agree	No comment.	Eurex Clearing AG
6	I do not agree entirely	This seems to be contradictory to principles 3 and 4.	Capita Registrars
6	I completely disagree	T2S should be equipped with a functionality that allows the CSDs to use T2S for processing the records having legal effect on the securities account balances. However, this principle should not create a duty for the CSDs to actually use T2S for this purpose as : local legal restrictions may prohibit a CSD to use T2S for this purpose; other operational procedures might serve the participants of a CSD better than to use T2S for this purpose.	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
6	I agree		Dutch market

6	I do not agree entirely	Each CSD will define the outsourcing with regards to the functions it will use T2S for. For example securities settlement account balances might only be changed in T2S, while all (register) account keeping with regard to notary functions is performed by the Issuer CSD on one of its other platforms. Moreover, additional information about the level of granularity of accounts is requested, concerning which level might be mandatory or optional per market and how these would fit together for the purpose of cross-border transactions. Effecting all transfers on the centralised platform should not put in question which laws governs the ownership aspects of securities holdings and transfers.	ECSDA
7	I do not agree entirely	In the case of direct holding systems it should be defined in which accounts settlement finality is achieved. If finality occurs at the T2S end-client accounts then the following issues need to be solved: 1. Who will be responsible for the legal and operational risk of the mirroring of the T2S account balances into the CSD? 2. Will users have real-time functionality in the T2S securities accounts or in their CSD accounts? 3. For CSDs that have extended notary function and for which registration is performed at the same time as settlement in end-investor securities accounts it is not possible to assume that finality occurs within T2S accounts as there is always mis-alignment risk.	HELLENIC EXCHANGES S.A.
7	I agree	CSDs are committed to the directive, but the implementation of the directive may cause more technical requirements (like extra real-time interfaces). <i>In the case of a DvP transaction, settlement finality also depends upon finality of cash settlement and therefore T2S must ensure, together with TARGET 2 Cash, the simultaneous execution of transfer orders on both the cash and securities elements of a transaction. Under no circumstances can one or both sides of the transaction be unwound once T2S has confirmed execution of the transfer order and simultaneously updated the status of the respective instructions.</i>	CLEARSTREAM
7	I agree		Estonian CSD and Sampo Pank
7		We would like to query whether the law pertaining to finality of transfers will be determined in line with Irish law, as is currently the case, rather than the "law where the CSD that has opened the securities account is established". On the issue of the links between T2S and CSDs: will there be an associated cost for industry and if so, it should be taken into account in the "end-to-end" savings analysis which the T2S Advisory Group has stated will be carried out. Is there any risk to the smooth running of the settlement process arising from these additional links? Will there be any impact on participants in Euroclear who have securities in both Full and Domestic Service when settling in T2S?	The Irish Stock Exchange and The Irish Bankers Federation
7	I agree	No comment.	Eurex Clearing AG
7	I agree in principle	We look forward to more detail relating to legal ownership.	Capita Registrars

7	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
7	I completely disagree	We expect the finality of transfers and transferorders will be harmonised in all the countries	Dutch market
7	I agree	CSDs are committed to the directive, but the implementation of the directive may not cause more technical requirements (like extra real-time interfaces).	ECSDA
8	I agree	Access to settlement in central bank money should be provided to all CSDs deciding not to join T2S. This access should be provided under no discriminatory conditions of price, technical interface, service level, performance, accessibility, liability and availability. Additionally, the Eurosystem should recommend to its member NCBs to remove all obstacles and provide facilities for access to CeBM to all CSD participants that do not have banking status.	HELLENIC EXCHANGES S.A.
8	I agree		CLEARSTREAM
8	I agree		Estonian CSD and Sampo Pank
8	I agree	T2S should also enable participants to execute DvP transactions with settlement against currencies other than Euro. As long as the respective NCB has not committed to participate in T2S these 'Non-Euro currencies' may need to be settled against commercial money. There may occur the need that T2S allows participants to input FoP instructions where a counter value is included for reference and matching purposes. (For multi currency settlement see also comment related to Principal 5).	Eurex Clearing AG
8	I agree in principle	How will this work for multi currency corporate actions?	Capita Registrars

8	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
8	I agree		Dutch market
8	I agree	As stated several times, access to settlement in central bank money should be provided to all CSDs deciding not to join T2S. This access should be provided under no discriminatory conditions of price, technical interface, service level, performance, accessibility, liability and availability. We recommend to add this comment as a separate principle. Additionally, the Eurosystem should recommend to its member NCBs to remove all obstacles and provide facilities for access to CeBM to all CSD participants that do not have banking status. See also Principle 12.	ECSDA
9	I agree		HELLENIC EXCHANGES S.A.
9	I agree	No comment	CLEARSTREAM
9	I agree		Estonian CSD and Sampo Pank
9		A high percentage of Irish firms' business is conducted in GBP so it is essential for the Irish market that any solution allows for settlement in GBP as well as Euro.	The Irish Stock Exchange and The Irish Bankers Federation
9	I agree	No comment.	Eurex Clearing AG
9	I agree	However, this indicates that there will be a need for CSDs to keep their systems.	Capita Registrars

9	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
9	I agree		Dutch market
9	I agree	No comment	ECSDA
10	I agree		HELLENIC EXCHANGES S.A.
10	I agree	No comment	CLEARSTREAM
10		we would understand that a "non-euro T2S capability" could be based on a second, distinct system running in parallel to T2S, which could be introduced in a second phase.	ESBG
10	I agree		Estonian CSD and Sampo Pank
10		Please refer to our response to Principle 9. GBP settlement would be essential from day one of T2S production for the Irish market.	The Irish Stock Exchange and The Irish Bankers Federation
10		Whilst T2S will in time be technically capable of providing settlement in non-Euro central bank money what are the implications for those CSDs that settle trades in both Euro and non-Euro in respect of the same ISIN?	APCIMS
10	I do not agree entirely	As the availability of settlement against 'Non-Euro' currencies depends entirely on the willingness of non-Eurosystem NCBs alternatives need to be considered.	Eurex Clearing AG
10	I agree	Please see comment relating to principle 8.	Capita Registrars
10		should be specified as to being up front technically capable of settling currencies other than euro.	ESF

10	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
10	I agree	Is there a difference between the non-euro ESCB currencies and non ESCB currencies?	Dutch market
10	I agree	No comment	ECSDA
11	I completely disagree	Since the legal responsibility remains with the CSD, users should not be allowed a direct access to T2S especially with regards to instructions input and maintenance. A facility of direct access could be offered to interested parties for reporting purposes only.	HELLENIC EXCHANGES S.A.
11	I do not agree entirely	T2S shall allow users to have direct technical access to its platform under the conditions that T2S (1) will perform all relevant validations defined by the CSD, (2) will inform the CSD immediately on all transactions for which the CSD is legally responsible, (3) enables the CSD to step into the process if deemed necessary due to its legal obligations or other procedural reasons, (4) fulfils all legal, regulatory and supervision reporting requirements on behalf of the CSD for which the CSD is responsible, (5) facilitates potential auditing and inspection rights by third parties to which the CSD is obliged. <i>The CSD must have the right to configure the access resp. the user rights.</i>	CLEARSTREAM
11	I completely disagree	Several CSDs also fulfill the registrar functions and are held responsible for the correctness of the CSD and the registry data, hence the CSDs have national regulatory requirements to fulfill. Therefore it should be left for the CSDs to decide on direct access of its users to T2S.	Estonian CSD and Sampo Pank
11		Allowing users to have direct technical access to the platform appears to be duplication of effort on the part of CSDs which is inefficient and could result in increased costs for participants?	APCIMS
11	I agree	Under which conditions will it be possible for a CSD to prevent a customer from direct access to T2S?	Eurex Clearing AG
11	I do not agree entirely	Will this include issuers and their agents?	Capita Registrars

11	I agree	"Direct technical access" as technical feature : T2S should be equipped with technical interfaces (such as SWIFT and online web clients) that allow the CSDs to make these available directly to their participants; This should have the effect that all the CSDs using T2S offer the same kind of settlement interfaces to their participants. This should result in a situation where banks can access all CSDs (that use T2S) where they hold accounts via one technical interface <u>However, this principle should not create a contractual duty for the CSD to make the standard T2S interfaces available to their participants as : local legal restrictions may prohibit a CSD to do so; other interfaces offered by the CSD might serve the participants of a CSD better than the standard T2S interfaces.</u>	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
11	I agree		Dutch market
11	I completely disagree	Considering its role as service provider to the CSDs, direct user access is dependent on business, technical and legal decision of the respective CSD.	Euroclear Nederland
11	I completely disagree	It can not be a principle as direct user access is a business, technical and legal decision by the respective CSD.	ECSDA
12	I agree	CSD's participation in T2S is a business decision that should be taken by the CSD Shareholders, particularly in the cases that CSD is part of a listed company as in the case of HELEX. However, what will be the implications on the part of access to central bank money if a CSD decides not to participate in T2S?	HELLENIC EXCHANGES S.A.
12	I agree	No comment	CLEARSTREAM
12		whilst CSDs' participation should not be mandated, the decision of any CSD to participate or not must be the outcome of a wide and transparent user consultation process.	ESBG
12	I agree		Estonian CSD and Sampo Pank
12	I agree	No comment.	Eurex Clearing AG
12	I do not agree entirely	What will happen if CSDs do not join? As a user we are not yet sure how we wish our CSD to respond to this proposal.	Capita Registrars

12	I completely disagree	<p><u>Principle 12 should be extended to guarantee non participating CSDs equal treatment regarding access to TARGET2Cash</u></p> <p>Equal treatment regarding technical access: As a monopoly regarding EURO central bank money the Eurosystem has to provide TARGET2Cash with a fully documented open interface to which IT tools used by CSDs for settlement purposes may connect. This open interface has to be the sole interface to which IT tools used by CSDs for settlement purposes may connect, regardless of whether the CSD uses T2S or any other IT tool.</p> <p>Equal treatment regarding TARGET2Cash prices: The prices NCBs (the Eurosystem) will charge to CSDs (their participants) for cash settlement effected on TARGET2Cash may not depend on the IT tool a CSD uses to technically access TARGET2Cash (the CSDs/their participants will be charged a price irrelevant of whether the CSD uses T2S or another IT tool to access TARGET2Cash). In this respect CSDs (their participants) who chose to use T2S should be charged separately for the securities leg (the CSDs paying for an IT service) and the cash leg (the CSDs/their participants paying for actual cash settlement in TARGET2Cash).</p>	<p>Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG</p>
12	I completely disagree	From the vision of the Dutch market: mandatory participation for all CSD's should be made legally possible.	Dutch market
12	I agree		Euroclear Nederland
12	I agree	Joining T2S is a business decision by the respective CSDs driven by their shareholders according to internal procedures. See also comment to Principle 8.	ECSDA
13	I agree		HELLENIC EXCHANGES S.A.
13	I do not agree entirely	The principle has to be adaptd once T2S will settle currencies others than Euro.	CLEARSTREAM
13	I agree		Estonian CSD and Sampo Pank
13	I agree	Nevertheless the highest benefit from the common platform could only be achieved if all European CSDs participate.	Eurex Clearing AG
13	I agree		Capita Registrars

13	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
13	I agree	As a consequence of proposal 12	Dutch market
13	I agree	No comment	ECSDA
14	I do not agree entirely	National legal obligations of the CSDs as well as business requirements of all CSDs have to be considered when defining the relevant minimum standard for connectivity and access conditions.	HELLENIC EXCHANGES S.A.
14	I do not agree entirely	All CSDs connecting to T2S shall have equal access conditions in general; however national legal obligations of the CSDs as well as business requirements of all CSDs have to be considered when defining the relevant minimum standard for connectivity and access conditions. The described principles of access may need to be constrained in some way in order to handle innovation, and for new-joiners, the fees should be able to reflect and compensate the investments funded by already participating CSDs, both for the initial and subsequent development of T2S, to reduce free-rider advantages and incentives. We expect T2S to allow CSDs to comply all principles of Code Conduct.F32	CLEARSTREAM
14	I agree	In principle we agree to equal access, but in fact it depends on the exact criteria what is deemed to be equal access (for example set-up costs relative to the size of a CSD).	Estonian CSD and Sampo Pank
14		Whilst we welcome provision of a single, transparent and publicly available fee schedule, what are the implications for participants' overall fees paid to CSDs? Is there not a danger that the costs of settlement will increase as a result of this additional leg in the process? This will be a major issue to be fleshed out if the ECB decides to proceed to the next stage of this project.	APCIMS
14	I agree	No comment.	Eurex Clearing AG
14	I agree	We assume this is the same for all other CSD users eligible under principle 11?	Capita Registrars

14	I do not agree entirely	The reference made to the TARGET2Cash pricing basis indicates that regarding the price CSDs will not have equal access conditions as TARGET2Cash prices will be based on a steep degression depending on the number of transactions. This would result in higher pices for CSDs (and their participants) in smaller markets which would not be acceptable.	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
14	I completely disagree	Also users should have equal access to the platform and users connecting to T2S shall have equal access conditions.	Dutch market
14	I agree	National legal obligations have to be considered when setting minimum standards for connectivity.	Euroclear Nederland
14	I do not agree entirely	All CSDs connecting to T2S shall have equal access conditions in general; however national legal obligations of the CSDs as well as business requirements of all CSDs have to be considered when defining the relevant minimum standard for connectivity and access conditions. The described principles of access may need to be reviewed in order to handle innovation and establish neutrality between early adopter and later joiners.	ECSDA
15	I do not agree entirely	National legal obligations of the CSDs, business requirements of CSDs and the technical necessities of CSDs (e.g. technical infrastructure and infrastructures of other outsourcing partners of the CSDs) have to be considered when defining the relevant arrangement.	HELLENIC EXCHANGES S.A.
15	I completely disagree	All CSDs connecting to T2S shall do so under a harmonised contractual arrangement; however national legal obligations of the CSDs, business requirements of CSDs and the technical necessities of CSDs (e.g. technical infrastructure and infrastructures of other outsourcing partners of the CSDs) have to be considered when defining the relevant arrangement. The contractual arrangement may also be impacted by differing levels of take up of T2S services, and the handling of innovation.	CLEARSTREAM
15	I agree		Estonian CSD and Sampo Pank
15	I agree	No comment.	Eurex Clearing AG
15	I agree	We assume this is the same for all other CSD users eligible under principle 11?	Capita Registrars

15	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
15	I completely disagree	Also users should have access to the platform under a harmonised contractual arrangement and users connecting to T2S shall have equal access conditions.	Dutch market
15	I agree	National legal obligations, technical necessities and business requirements of CSDs have to be considered when defining relevant arrangements. Also different levels of use of the T2S services should be reflected in arrangements..	Euroclear Nederland
15	I do not agree entirely	All CSDs connecting to T2S shall do so under a harmonised contractual arrangement; however national legal obligations of the CSDs, business requirements of CSDs and the technical necessities of CSDs (e.g. technical infrastructure and infrastructures of other outsourcing partners of the CSDs) have to be considered when defining the relevant arrangement. The contractual arrangement may also be impacted by differing levels of take up of T2S services, and the handling of innovation.	ECSDA
16	I do not agree entirely	Eventhough the principle is in line with general ECSDA standards, for HELEX it will be difficult to adopt T2S calendar if it is the same as T2. Greece has quite different religious holidays(Orthodox country) and national holidays during which settlement in Greek securities should be closed and ATHEX is not open for trading. Hence these days cannot count as settlement days, thus HELEX will have problems adopting such a T2S calendar (the banking sector in Greece in general is closed during these days as well, eventhough Bank of Greece has adopted the T2 calendar). We believe that T2S should keep a calendar of settlement days per CSD and instrument. Securities settlement requires an extended timetable.	HELLENIC EXCHANGES S.A.
16	I agree	We agree in principle. Nevertheless the harmonization of calendar times as long as banking holidays are not fully harmonized the T2S Platform has to support individual holidays per CSD and per product group settled for the CSD. Procedures have to be available to bridge different holiday schedules. The system should be available for booking 24/7 as general rule.	CLEARSTREAM
16	I agree	In principle yes, however, the impact on national markets should be further analysed.	Estonian CSD and Sampo Pank
16	I agree	No comment.	Eurex Clearing AG

16	I agree	This is virtually already the case due to ECSDA's work on the subject.	Capita Registrars
16	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
16	I agree	Calender should also be open for other than settlement activities. Under the condition is will be operated in a flexible and efficient way.	Dutch market
16	I agree	Principle is in line with general ECSDA standards. Implementation impact on national markets should be analyzed.	ECSDA
17	I do not agree entirely	In general we are supportive of harmonization if it is based on already agreed solutions (removal of Giovannini barriers) or it is commonly agreed. However, a crucial factor in the harmonization process is national legislation and local regulation, for the change of which the involvement of the national Capital Market regulator in the early stages of the T2S project is required, as CSDs normally are not under the jurisdiction of the NCBs.	HELLENIC EXCHANGES S.A.
17	I do not agree entirely	T2S settlement rules and procedures shall be common to all participating CSDs; however national legal specialities have to be considered by T2S as long as relevant laws have not been harmonized by the public sector.	CLEARSTREAM
17		the maintenance and evolution of the ECSDA rules should rest on a governance and process that are agreed with the users.	ESBG
17	I do not agree entirely	We are concerned that this principle could be difficult to achieve in practice, it very much depends on national regulations.	Estonian CSD and Sampo Pank
17		Whilst this is a worthy objective in principle, the aim of harmonising rules and procedures amongst so many CSDs is an ambitious one. What impact would harmonisation of rules and procedures have on a participating CSD that also continues to provide a service to those participants who settle in non-Euro central bank money?	APCIMS
17	I do not agree entirely	The ECSDA matching rules are quite subjective and more work is needed prior to any implementation.	Capita Registrars

17		should not be superseded by Principle 20 , i.e. national specificities like the registration process for equities in Spain should be eliminated and the highest possible degree of operational, legal, regulatory and fiscal harmonisation and standardisation of settlement related processes should be achieved by the time of implementing T2S.	ESF
17	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
17	I completely disagree	Disagreement stems from explanatory text: Harmonisation will not be fully achieved when CSDs and local markets will maintain additional domestic rules. National specialities have to be covered by T2S standard functionality until national laws have been harmonised by public sector. Suggestion to involve securities regulators early in the process to identify need for and deliver on harmonisation.	Dutch market
17	I do not agree entirely	T2S settlement rules and procedures shall be common to all participating CSDs; however national legal specialities have to be covered by features of the core functionality according to the requirements of the relevant CSD as long as relevant laws have not been harmonized by the public sector. A crucial factor in the harmonization process is national legislation and local regulation, for the change of which the involvement of the national Capital Market regulator in the early stages of the T2S project is required, as CSDs normally are not under the jurisdiction of the NCBs.	ECSDA
18	I do not agree entirely	T2S should be operated on a not-for-profit basis and should not add to today' s settlement cost. How development will be financed and how will the full recovery of the cost will be accomplished? In other words, who pays-how much? How CSDs that are joining at a later stage (due to delayed decision or newcomers to the euro area) will be treated with regards to initial development costs? Is cost-efficiency taken as consideration in the proposal that the 3NCB+ will take up T2S development. Have all alternatives been examined? The economic feasibility study should provide concrete answers for all of the above and should be revisited once the URD phase is completed.	HELLENIC EXCHANGES S.A.
18	I do not agree entirely	Relative to the explanation of this principle given by the Eurosystem: some consideration needs to be given to innovation, and how this is handled. Concerning the definition used for service quality, it should be noted that performance is a key aspect of quality.T2S should also publish the cost drivers to all participating CSD's.	CLEARSTREAM

18	I do not agree entirely	Yes, but on condition that the system itself and covering of costs are fully transparent.	Estonian CSD and Sampo Pank
18	I agree		Capita Registrars
18	I completely disagree	<p><u>Cost-recovery basis:</u> The contractual IT operations agreements between the Eurosystem and the CSDs will have to be based on fixed prices which may not be changed unilaterally by the Eurosystem; In this respect it will always be impossible for the Eurosystem to calibrate earnings to exactly match the costs. It is rather to be expected that earnings will either : exceed the costs, or not cover the costs.</p>	Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
18	I completely disagree	At a minimum T2s cost per transaction should be at the level of the cheapest CSD and in addition it should be at competitive level when compared to the DTCC. This is a prerequisite for the success of the project.	Dutch market
18	I do not agree entirely	<p><u>Cost-recovery basis:</u> The contractual IT operations agreements between the Eurosystem and the CSDs will have to be based on fixed prices which may not be changed unilaterally by the Eurosystem.</p> <p><u>Not-for-profit basis:</u> It has to be examined whether the Eurosystem is entitled to finance IT-business without the intention to create profit out of that business. If it is found that the Eurosystem is actually entitled to do so the Eurosystem will have to offer such financing to every European based provider of IT services which are comparable to T2S.</p>	ECSDA
19	I do not agree entirely	<p>The explanation of this principle by the Eurosystem appears to mix together the commitments of T2S (the subject of the principle), with what appears to be a statement in the explanation that there will be a T2S imposed requirement that CSDs abide by the code of conduct.</p> <p>Based on all available documentation it seems that CSDs using T2S will be charged separately for the securities leg and the cash leg of settlement which is something not customarily done for settlement transactions.</p> <p>As IT provider the Eurosystem must allow CSDs to comply with the code of Conduct provisions on unbundling with respect to their participants.</p>	HELLENIC EXCHANGES S.A.

19	I completely disagree	The explanation of this principle by the Eurosystem appears to mix together the commitments of T2S (the subject of the principle), with what appears to be a statement in the explanation that there will be a T2S imposed requirement that CSDs abide by the code of conduct. T2S delivers ITservices to CSDs and shall allow CSDs to unbundle the CSD services in line with the principles of Code of Conduct.	CLEARSTREAM
19	I agree		Estonian CSD and Sampo Pank
19	I agree		Capita Registrars
19	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
19	I agree	Explanation and principle mix T2S responsibility and that of the CSDs.	Dutch market
19	I do not agree entirely	The explanation of this principle by the Eurosystem appears to mix together the commitments of T2S (the subject of the principle), with what appears to be a statement in the explanation that there will be a T2S imposed requirement that CSDs abide by the code of conduct. CSDs using T2S have to be charged separately for the securities leg (the CSDs paying for an IT-Service) and the cash leg (the CSDs (their participants) paying for actual cash settlement in Target2 Cash). As IT provider the Eurosystem must allow CSDs to comply with the code of Conduct provisions on unbundling with respect to their participants.	ECSDA
20	I agree	A crucial factor in the harmonization process is national legislation and local regulation, for the change of which the involvement of the national Capital Market regulator in the early stages of the T2S project is required, as CSDs normally are not under the jurisdiction of the NCBs. Are there plans to involve capital market regulators in the process of T2S development?	HELLENIC EXCHANGES S.A.
20	I agree	No comment	CLEARSTREAM
20	I agree		Estonian CSD and Sampo Pank
20	I agree		Capita Registrars

20	I agree		Bank Austria Creditanstalt AG, BAWAG P.S.K und Österreichische Postsparkasse AG, Erste Bank AG, Österreichische Volksbanken AG, Raiffeisen Zentralbank Österreich AG und Raiffeisenlandesbanken, Oesterreichische Kontrollbank AG
20	I agree	It must be stronger emphasized: not "aiming at" but "achieving". Not only for CSDs, but for all users	Dutch market
20	I agree	No comment	ECSDA
1	I do not agree entirely	The governance of T2S should strictly reflect the co-responsibility of the Eurosystem and the CSDs in the delivery vs payment business, since the CSDs would be outsourcing part of its current business to T2S. Market representation should reflect the different categories of users of the system.	IBERCLEAR
2	I completely disagree	While increasing synergies and cost efficiencies, the use of Target 2 will increase also project risks due to the fact that the final platform will be shared for payment and securities. These risks must be taken into account when analysing the feasibility of the project.	IBERCLEAR
3	I do not agree entirely	Although we agree with the principle, we believe that it is inconsistent with other general principles such as P.6 and P.11. If the scope of T2S is limited to providing an IT platform for core settlement processing, then the Eurosystem should be fully coherent with this approach.	IBERCLEAR
4	I do not agree entirely	We agree with the principle. However we believe that it implies that because of its liability CSDs are obliged by Law to maintain full control of the balances of securities accounts in systems which are fully governed and control by them. And this control is jeopardised by some of the other principles in this consultation.	IBERCLEAR
5	I do not agree entirely	After a thorough technical analysis, it has been concluded that it will not be possible for IBERCLEAR to decommission their settlement infrastructures completely under the current scope of T2S. Delivering to CSDs the possibility of a total decommissioning would imply T2S providing functions of a CSD, which fall out of their mandate and are opposite to principle number 3.	IBERCLEAR
6	I do not agree entirely	As per the comments of principle number 4, the CSD will also have to update its positions. Besides, it should be up to each CSD to define the outsourcing with regards to the functions it will use T2S for.	IBERCLEAR
7	I agree		IBERCLEAR
8	I agree	As stated several times, access to settlement in central bank money should be provided to all CSDs deciding not to join T2S. This access should be provided under no discriminatory conditions of price, service level, performance, accessibility, liability and availability. We recommend to add this comment as a separate principle.	IBERCLEAR
9	I agree		IBERCLEAR

10	I agree		IBERCLEAR
11	I completely disagree	Technical access of users to T2S does not bring added value by itself because they will still need to maintain interfaces with CSDs for non T2S services. The single access entry point and possibility to concentrate liquidity is already provided within T2S without a direct access. On the other hand, it implies instability of the perimeter of T2S. It could prevent CSDs from performing the validation and matching for pure domestic transactions. It is also incompatible with the comments to principle 4 and principle 5. We also believe that it is in conflict with principle 3, as only the CSDs should be responsible for the relationship with their customers.	IBERCLEAR
12	I agree	It is still to be defined how would the interests of their users be measured (i.e. the majority? Unanimity?) Additionally, all stakeholders interests must be taken into account (shareholders, board, etc).	IBERCLEAR
13	I agree		IBERCLEAR
14	I do not agree entirely	However, the adherence of T2S to the Code should not be limited to price transparency but also to service unbundling and non cross-subsidiation of activities. Although in principle 19 it is stated that T2S services shall be unbundled, in its explanation the principle refers only to the compliance of the Code by the CSDs. T2S shall be compliant with all aspects of the Code of Conduct and it should also allow its CSD members to comply with it on equal footing conditions.	IBERCLEAR
15	I do not agree entirely	National legal obligations of the CSDs, business requirements and technical needs have to be considered when defining the relevant arrangement.	IBERCLEAR
16	I agree		IBERCLEAR
17	I do not agree entirely	Procedural harmonisation may require regulatory and legal changes in some cases. National legal specificities have to be covered outside the core functionality according to the requirements of the relevant CSD as long as relevant laws have not been harmonised by the public sector.	IBERCLEAR
18	I do not agree entirely	<u>Cost-recovery basis:</u> The contractual IT operations agreements between the Eurosystem and the CSDs will have to be based on fixed prices which may not be changed unilaterally by the Eurosystem. <u>Not-for-profit basis:</u> It has to be examined whether the Eurosystem is entitled to finance IT-business without the intention to create profit out of that business. If it is found that the Eurosystem is actually entitled to do so the Eurosystem will have to offer such financing to every European based provider of IT services which are comparable to T2S.	IBERCLEAR
19	I do not agree entirely	As we mentioned for principle 14, this unbundling should apply not only for securities settlement services related activities but also in what respects to the separation of the cash settlement services. As IT provider the Eurosystem must allow CSDs to comply with the Code's provisions on unbundling with respect to their participants. Therefore, CSDs should be charged separately for the securities leg and the cash leg. On the other hand, services offered by T2S should be unbundled and not cross-subsidised. For example, matching in T2S must be charged separately from settlement, so that CSDs that perform their own validation and settlement should not be subsidising transactions matched at T2S with a flat fee comprising all services.	IBERCLEAR

20	I agree	The Eurosystem should bear in mind that in order to achieve harmonisation in regulatory and supervisory requirements, they will need to liaise with the relevant public sector authorities, as the harmonisation of these tasks fall out of the responsibility of the CSDs.	IBERCLEAR
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