

X-pand into the Future



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T2S User Requirement Documents - General Comments of Eurex Clearing AG

Dear Jean Michel,

ECAG is pleased to provide its feedback to the T2S URD within the attached Excel spreadsheet. The T2S initiative is highly appreciated as driving force to enable a seamless and cost efficient European settlement infrastructure. From CCP perspective we want to highlight the following general comments:

A **separate CCP role** should be defined e.g., to capture Power of Attorney (PoA) privileges and specific settlement priorities.

ECAG processing model is based on continuous actual settlement day netting. Prerequisite for this model is the possibility for ECAG to submit **cancellation** instructions unilaterally/bilaterally based on the PoA at any time. Actual settlement day netting ensures a maximum of netting efficiency to the market.

ECAG could also use the recycling period function. In order to align this functionality to the existing timing, beside a date a time is absolutely required for the definition of the recycling period. For both methods the cancellation feedback must be sent real time from T2S to the CCP (push service).

The **deadline for receiving DvP instructions** (16.00) is too short - in case of bilateral agreement the settlement until 18:00 h must be allowed.

Real-time lifecycle information is crucial for CCP processing; an efficient broadcasting mechanism will be required. Therefore the CCP needs access to the subscription service.



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Regarding the **use of technical netting** it is required that the efficiency of the T2S optimisation cycle is as high as possible to ensure that the CCP does not need more liquidity than today.

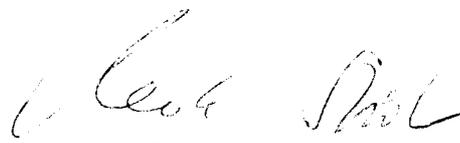
Within the setup of **Lifecycle Management and Matching** - as described in chapter 5 - the possibility to send "Matched Instructions" to T2S is an absolute necessity for ECAG.

Hoping these comments have helped to provide further aspects from the users' perspective,

Yours faithfully,



Thomas Book
Member of the
Executive Board



Meike Ströter
Clearing Business Development