

Collective agreement between central banks and CSDs to enter into force on 20 March 2018

On 6 March 2018 the ECB took note of the fact that an agreement had been signed between the central banks operating TARGET2 component systems and the central securities depositories (CSDs) operating on the TARGET2-Securities platform concerning the provision of information and liability in the event of a participant in their systems becoming insolvent.

This agreement defines a common moment of entry for payments and securities transfer orders that are matched in the systems operated by its signatories. This gives participants certainty regarding the treatment of outstanding securities transactions in a system in the event of a participant becoming insolvent. The agreement is available [here](#).

As set out in Article 16(3) to Annex IIa of the Guideline on TARGET2, the common moment of entry will now be the moment at which a transfer order has been declared compliant with the technical rules of T2S by either the T2S platform or, if the CSD is operating a separate matching component, by the CSD. CSDs operating a separate matching component are listed below. The moment of irrevocability is, in all cases, set at the time the transfer orders have been given the status “matched” on the T2S platform.

This confirmation by the Governing Council of the ECB means the agreement can now enter into force and will do so on Tuesday, 20 March 2018. The agreement marks the latest step in the process of harmonisation of procedures and tools among the system operators using the T2S platform and is a further milestone in the integration of payments and securities settlement systems across Europe.

For additional information on the collective agreement and/or on the common moment of entry and irrevocability, participants are invited to contact their respective national central bank.

LIST OF THE CSDS OPERATING A SEPARATE MATCHING COMPONENT

VP LUX S.à.r.l.
VP Securities A/S
Malta Stock Exchange Plc
KDD - Centralna klirinško depotna družba, d.d.
Euroclear Finland Ltd.
Keler Ltd