

## **T2S TASK FORCE ON CSDR LEVEL II STANDARDS**

### **TERMS OF REFERENCE**

#### **1. Background**

The T2S Advisory Group (AG) in June 2013 mandated the T2S Harmonisation Steering Group (HSG) to create a task force to analyse the issue of settlement discipline regime in the T2S markets in the context of the CSDR (articles 6 and 7) and the possible work of ESMA/ESCB on the matter. The HSG further agreed in October 2013 to activate the task force as soon as is deemed necessary for enabling the potential AG contribution to the ESMA consultation process on the CSDR technical standards (TS).

The task force will report to T2S HSG and be chaired by Matthias Papenfuss.

In April 2014, the HSG agreed to broaden the scope of the TF and mandate it to look into other articles of the CSDR where i) ESMA is mandated to provide TS and ii) AG may have an interest to provide input to ESMA during its discussion and consultation procedures.

#### **2. Objective of the task force**

The objective of the task force is to provide the HSG with a T2S Community proposal for contributing to the ESMA/ESCB work on the CSDR level II technical standards (RTS and ITS).

The AG will decide on the final deliverable and the final interaction with ESMA.

#### **3. Topics to be addressed by the task force**

The Task Force will have the latitude to analyse all CSDR RTS and ITS issues which are relevant from a T2S point of view.

These includes, inter alia:

- 1) **Settlement discipline regime (SDR) technical standards**

The task force will present, in due time to the HSG, a T2S markets contribution on the relevant TS (articles 6 and 7 of the CSDR).

2) **Timing of SDR implementation**

Taking into account that the timing of all Level II legislation could be subject to the EU public authorities discretion, the task force is to provide its factual evidence to the HSG with reference to a proposal on the timing and way of migration to the harmonised SDR for T2S markets

3) **Other CSDR articles**

The TF should present to the HSG proposals for RTS and ITS that the AG may decide to send as feedback to ESMA

As per the ESMA request, all TF proposals should include a clear rationale, any alternatives that ESMA should consider as well as quantified evidence supporting the proposals.

The work of the task force should be coordinated with on-going work in other T2S forums (e.g. XMAP, T+2 Task Force, CASG) and may make use of any available information collected by other European organisations (e.g. ECSDA).

## **4. Membership**

The list of members of the task force will be approved by the HSG, based on candidates proposed by the AG members.

The secretary of the TF will be provided by the T2S Programme Office.

## **5. Expiry of mandate**

The mandate of the task force expires on 31 December 2015.