

T2S

Direct access to the Austrian market

OeKB CSD's T2S approach

Focus Session

18.11.2016

CENTRAL
SECURITIES
DEPOSITORY

OeKB CSD's T2S approach

5 Principles for Leveraging the maximum benefit from T2S

1. Settlement of all securities on T2S (Austrian & non AT)
2. 100% usage of T2S ➡ no parallel systems in the CSD
3. Making available the full T2S functionality
4. Delivering T2S standard to participants ➡ no deviations
5. DCP and/or ICP ➡ for each of the 3 models
 - a. Standard connectivity
 - b. Connectivity via Technical Service Provider
 - c. Connectivity via Agent/Account Operator

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Principle 1: Settlement of all securities on T2S IT-platform

- Settlement of all securities will take place on the T2S IT-platform:
 - Appr.14.700 securities that OeKB CSD keeps and administers as Issuer CSD
 - Appr.1.300 securities that OeKB CSD keeps and administers as Investor CSD with depositories, irrespective of whether such depository keeps the securities
 - on the T2S IT-platform
 - or on another IT-system

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Principle 2: 100% usage of T2S IT-platform ➡ no parallel systems

- Making use of 100% of the T2S IT-platform's functionality will allow OeKB CSD to fully decommission its current settlement and accounting systems:
 - lowest possible running cost due to
 - avoidance of parallel systems
 - avoidance of duplicate databases, no mirroring, no data inconsistency, ...
 - T2S IT-pricing model (pay per IT-use, no volume based discount) eliminates the disadvantage of higher unit costs for small CSDs
- CSD-processes not supported by functionality of the T2S IT-platform (asset servicing, reporting,..) will remain on other systems of OeKB CSD

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Principle 3: Making available the full T2S functionality

- Participants will benefit from the availability of the full T2S functionality
 - Hold/release/hold
 - Reservation, blocking, earmarking,
 - Partial settlement,
 - Priority,
 - Linkages,
 - Auto collateralisation,
 - ...

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Principle 4: Delivering T2S “as is”

- By implementing T2S “as is” OeKB CSD will deliver the full T2S STP functionality to its participants
 - no CSD blocking for standard use cases
 - lowest possible number of rules
 - only one reference data extension attribute (formerly MSA) for securities account type
 - full use of T2S settlement day
- OeKB follows the T2S harmonization standards

allowing participants to minimize their implementation cost

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Principle 5: DCP and/or ICP → for each of the 3 models

Participants
may use both
the DCP and
ICP Modes in
parallel

- DCP Mode:
 - A2A standardised DCP interface with SWIFT 20022
 - U2A T2S client
- ICP Mode:
 - Minimum changes to the current SWIFT ISO 15022 interface
 - Support of SWIFT ISO 20022
 - Settlement client fully integrated into the OeKB Group Portal

Irrespective of the model
chosen to connect:

- (1) Standard connectivity
- (2) Connectivity via Technical Service Provider
- (3) Connectivity via Agent/Account Operator

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