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## Feedback to consultation paper

<b>Document Title</b>	<b>T2S Consultation Paper: Principles and High Level Proposals</b>
<b>Document Reference</b>	<b>070323_note_ConsultPrincipalsProposals_v0.98.doc</b>
<b>Issued for review</b>	<b>26.04.2007</b>
<b>Deadline for review</b>	<b>27.06.2007</b>

<b>Proposal Nr.</b>	<b>Statement</b>	<b>Comment</b>	<b>Institution</b>	<b>Confidential</b>
T2S as a whole	I do not agree entirely	Please see our covering letter that documents our significant issues at this stage of the project. It is vital that these are addressed before any decision on the project can be made by Capita Registrars.	Capita Registrars	No
Principle 1	I do not agree entirely	We would like to understand better how accountability, maintenance etc will be undertaken.	Capita Registrars	No
Principle 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	No
Principle 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	No
Principle 4	I agree	We look forward to more detail relating to legal ownership.	Capita Registrars	No
Principle 5	I do not agree entirely	This seems to be contradictory to principle 3.	Capita Registrars	No
Principle 6	I do not agree entirely	This seems to be contradictory to principles 3 and 4.	Capita Registrars	No
Principle 7	I agree in principle	We look forward to more detail relating to legal ownership.	Capita Registrars	No
Principle 8	I agree in principle	How will this work for multi currency corporate actions?	Capita Registrars	No
Principle 9	I agree	However, this indicates that there will be a need for CSDs to keep their systems.	Capita Registrars	No
Principle 10	I agree	Please see comment relating to principle 8.	Capita Registrars	No
Principle 11	I do not agree entirely	Will this include issuers and their agents?	Capita Registrars	No
Principle 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	No
Principle 13	I agree		Capita Registrars	No
Principle 14	I agree	We assume this is the same for all other CSD users eligible under principle 11?	Capita Registrars	No
Principle 15	I agree	We assume this is the same for all other CSD users eligible under principle 11?	Capita Registrars	No
Principle 16	I agree	This is virtually already the case due to ECSDA's work on the subject.	Capita Registrars	No
Principle 17	I do not agree entirely	The ECSDA matching rules are quite subjective and more work is needed prior to any implementation.	Capita Registrars	No
Principle 18	I agree		Capita Registrars	No
Principle 19	I agree		Capita Registrars	No
Principle 20	I agree		Capita Registrars	No

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1	I do not agree entirely	There is too little information in the paper to make a decision on this point. From working with Euroclear on their single platform proposal we note that this has been one of the most difficult elements to agree.	Capita Registrars	No
2	I do not agree entirely	Capita Registrars are not in a good position to answer this proposal.	Capita Registrars	No
3	I do not agree entirely	Until further information is given and answers relating to other currencies are received it is not possible to answer this question.	Capita Registrars	No
4	I agree		Capita Registrars	No
5	I agree		Capita Registrars	No
6	I do not agree entirely	Although in theory this makes sense it has the potential consequence of increasing the number of nominees and reducing shareholder transparency.	Capita Registrars	No
7	I do not agree entirely	This seems to take into account some market requirements but not others. This is unlikely to be needed by Irish issuers and merely increases cost for little benefit.	Capita Registrars	No
8	I do not agree entirely	There is too little information in the paper to make a decision on this point. From working with Euroclear on their single platform proposal we note that this has been one of the most difficult elements to agree.	Capita Registrars	No
9	I do not agree entirely	There is too little information in the paper to make a decision on this point. From working with Euroclear on their single platform proposal we note that this has been one of the most difficult elements to agree.	Capita Registrars	No
10	I do not agree entirely	There is too little information in the paper to make a decision on this point. From working with Euroclear on their single platform proposal we note that this has been one of the most difficult elements to agree.	Capita Registrars	No
11	I do not agree entirely	This section underestimates the complexity of reference data and the interaction between different types. E.g. corporate actions are sometimes driven from securities data.	Capita Registrars	No
12	I do not agree entirely	This will lead to multiple databases and ensure CSDs will have to maintain their systems.	Capita Registrars	No
13	I do not agree entirely	This underestimates the complexity of the issue and the interaction between systems that is needed.	Capita Registrars	No
14	I agree	However, this indicates all participants must go through a CSD.	Capita Registrars	No
15	I agree		Capita Registrars	No
16	I agree		Capita Registrars	No
17	I do not agree entirely	How will this mechanism work?	Capita Registrars	No
18	I agree		Capita Registrars	No
19	I do not agree entirely	We presume T2S will make use of ISO 20022 as well.	Capita Registrars	No
20	I agree	for euros. For all currencies the ECSDA standards should be followed.	Capita Registrars	No
21	I do not agree entirely	Please quantify the benefit of this to issuers.	Capita Registrars	No
22	I do not agree entirely	Please quantify the benefit of this to issuers.	Capita Registrars	No
23	I do not agree entirely	Please quantify the benefit of this to issuers.	Capita Registrars	No

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24	I do not agree entirely	This must take into account other activities, such as corporate actions and until this is completed, no answer can be given.	Capita Registrars	No
25	I do not agree entirely	This is fine for some deadlines but not, potentially, for all. More information is needed in relation to Giovannini barriers. For example, if two CSDs are settling in sterling they should follow the ECSDA standards.	Capita Registrars	No
26	I do not agree entirely	Although this is fine in theory, practice may mean that interaction is not made when required (e.g. for intra day corporate actions) adding risk to the process when compared to today.	Capita Registrars	No
27	I agree		Capita Registrars	No
28	I agree		Capita Registrars	No
29	I agree		Capita Registrars	No
30	I agree		Capita Registrars	No
31	I agree		Capita Registrars	No
32	I agree		Capita Registrars	No
33	I agree	We assume this means that matching is irrevocable. This links to some points in previous papers regarding market claim settlement that we disagree with. We await consultation papers on this subject.	Capita Registrars	No
34	I agree		Capita Registrars	No
35	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
36	I agree		Capita Registrars	No
37	I agree	This will be particularly important for corporate action settlement.	Capita Registrars	No
38	I agree		Capita Registrars	No
39	I do not agree entirely	We are not sure why T2S is now proposing auto collateralisation when this was not previously part of the scope.	Capita Registrars	No
40	I agree		Capita Registrars	No
41	I completely disagree	As this was not part of initial analysis we do not understand why it is now being proposed. Further detail is needed.	Capita Registrars	No
42	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
43	I agree		Capita Registrars	No
44	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
45	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
46	I agree		Capita Registrars	No
47	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
48	I do not agree entirely	We assume that as matching is irrevocable, transactions will be recycled indefinitely.	Capita Registrars	No
49	I agree		Capita Registrars	No
50	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
51	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No

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52	I completely disagree	Systems need to be multi currency and therefore this proposal does not fulfil the user needs.	Capita Registrars	No
53	I agree		Capita Registrars	No
54	I agree		Capita Registrars	No
55	I completely disagree	This effectively allows custodians to be CSDs which should not be the intention.	Capita Registrars	No
56	I agree		Capita Registrars	No
57	I do not agree entirely	It is essential that much more thought is given to this issue. No new functions should be implement that reduce or remove the efficient processing by issuer agents available today.	Capita Registrars	No
58	I agree		Capita Registrars	No
59	I do not agree entirely	No proprietary interfaces should be used but only interfaces available under the standards relating to barrier 1 of the Giovannini report.	Capita Registrars	No
60	I completely disagree	Given that the scope has changed these assumptions will need to be revisited.	Capita Registrars	No
61	I completely disagree	You have not taken into account other forms of settlement such as corporate actions.	Capita Registrars	No
62	I agree		Capita Registrars	No
63	I agree		Capita Registrars	No
64	I do not agree entirely	We await more details before confirming any views on this matter.	Capita Registrars	No
65	I agree		Capita Registrars	No
66	I do not agree entirely	Until it is decided what function will be in T2S and for which securities no decision can be made in this area.	Capita Registrars	No
67	I do not agree entirely	Rather than be defined by impact, the solution should be defined by benefit. A change could have a big impact but a bigger overall benefit so would be worth doing.	Capita Registrars	No