



**ECSDA**

European Central Securities  
Depositories Association

**Mr Jean-Michel GODEFFROY**  
**EUROPEAN CENTRAL BANK**  
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June 29th 2007

Dear Jean Michel

As part of the ECB consultation process with respect to T2S, market participants were invited to provide comments on the 67 proposals set out by ECB in the document "general principles and high level proposals".

In the document the ECB only requests comments on the proposals but rejects a view on the principles. However ECSDA believes that the principles are the basis for the proposals and as long as there is not an open consultation and agreement on these principles a detailed feedback on the proposals will not be possible. Therefore ECSDA's response focuses on the principles. Please find attached the consolidated comments document which reflects this focus.

Furthermore ECSDA has also analysed the 67 proposals set out by ECB. Following an internal discussion we decided not to comment on the individual items, this will be done by most of the CSDs individually. However, please allow us to bring forward our key issues we identified from an ECSDA point of view, which are as follows:

- Direct Access: Although direct access is not a dedicated part of the proposals, it impacts the majority of proposal categories. Therefore we reiterate our opinion that direct user access to T2S is an issue considered by CSDs as of the utmost importance and related to business, technical and legal aspects. As you know, some CSDs are of the view that direct access to T2S must be exclusively reserved to CSDs.
- Account Structure and Static Data: The T2S account structure and end-investor account services have to be included in the core service and standard functionality of T2S and designed in a way to be sufficiently flexible to allow service provision on the same level as of today without imposing adverse cost effects in terms of communication, transaction and other related costs. This applies to all aspects of the design including volume requirements and performance targets. Additionally operating and maintaining of static data should be under the sole responsibility of the CSDs.
- T2S Time Schedule: The T2S time schedule should be flexible enough to support any local settlement procedure in place in an efficient way. Furthermore, to avoid imposing restrictions onto the securities settlement system in general T2S should not be based on the T2 Cash infrastructure and time schedule.

- T2S Interface: As most CSDs currently have a real-time push interface in place, T2S should also support this service to the CSDs, so that the CSDs can maintain existing service levels to their customers.
- Multi Currency Capability: T2S in general should be able to handle multiple currencies with all proposals reflecting the corresponding requirements.

While analyzing the 20 principles and the 67 proposals we also noted that some important aspects of the overall T2S structure have not been addressed in a proper way so far. Among others those areas are: overall T2S business case, legal framework, billing process and archiving. We strongly believe that prior to next steps with respect to T2S more detailed information showing also the overall concept will be required to give all relevant entities the opportunity to perform a comprehensive evaluation of T2S.

Yours sincerely,

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Iberclear



Paolo Cittadini  
Monte Titoli



Mark Kirby  
Euroclear Belgium



Socrates Lazaridis  
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Johannes Luef  
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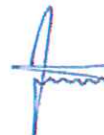
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Attachment : 1