

## **NATIONAL USER GROUPS**

### **Mandate**

#### **1. Objectives**

The National User Groups (NUGs) bring together providers and users of securities settlement services within their national markets in order to support the development, implementation and operation of TARGET2-Securities (T2S). They create fora for involving national market participants in the T2S Advisory Group's (AG) work and establish the formal link between the AG and the national markets. They act both as a sounding board for the T2S Programme Office and as providers of input to the AG in relation to all matters considered by the AG. As such, they may also suggest issues for AG consideration.

The NUGs may be involved in the change and release management process and can play an important role in assessing such requests in the context of the operation of the national markets. The NUGs should adopt the T2S principle of seeking to avoid incorporating national specificities in T2S, and should actively promote harmonisation.

#### **2. Responsibilities and Tasks**

The NUGs in markets participating in T2S are responsible for:

- assessing the impact of the T2S functionality, and in particular any changes in the T2S user requirements, on their national market; when doing so, due consideration should be given to the concept of a 'lean T2S' that aims at avoiding national specificities and at promoting harmonisation;
- contributing to the monitoring and implementation tasks associated with the T2S harmonisation activities supported by the AG;
- bringing material concerns of the national market to the attention of the AG;
- raising the awareness of T2S in all segments of the national securities community;
- supporting the AG members representing the national community.

While fulfilling their responsibilities, the NUGs shall adhere to the high standards of transparency that are a key element of T2S.

Although the focus of this mandate is on markets participating in T2S, also markets not yet participating in T2S are welcome to establish NUGs. If such market decides to establish an NUG, it shall follow a similar mandate in order to prepare its market for participation in T2S.

#### **3. Composition and Term**

The NUGs comprise a Chairperson, Secretary and members.

The Chairperson of an NUG should preferably be a full member or observer of the AG. This role will typically be performed by a senior official of the relevant national central bank. In the case where the relevant national central bank does not provide or designate the chairperson of the NUG, the chairperson will be nominated by the AG Chairperson who will look for consensus amongst the main participants in the relevant market. Should the Chairperson not be a member of the AG, an AG member should coordinate between the AG and the NUG Chairperson to ensure a close link between the AG and the NUG. Should no member of an NUG be represented in the AG, the NUG shall seek close cooperation with the AG Secretary in order to be informed about T2S developments.

The secretary of an NUG is provided by the relevant national central bank in euro area countries; in other countries the NUG Secretary is appointed by the NUG Chairperson and should ideally be provided by the respective national central bank. The secretary is expected to attend regular briefings organised for NUG secretaries by the T2S Programme Office via the NUG experts network. The NUG secretaries of markets that do not participate in T2S may participate as guests in the NUG experts network.

The members of an NUG comprise the relevant AG members and observers (or their nominated senior representatives, acceptable to the NUG Chairperson) and additional persons with the knowledge and standing to be broadly representative of all categories of users and providers in the national market, including experts on cash matters. NUG members may thus include CSDs, brokers, banks, investment banks, custodians, issuers and/or their agents, central counterparties, exchanges and multilateral trading facilities, the relevant national central bank, regulatory authorities and the relevant banking associations.

The NUGs' mandate expires at the same time as the mandate of the AG, i.e. with the replacement of the Framework Agreement and the Currency Participation Agreement with a new contract and/or with the termination of the Framework Agreement and Currency Participation Agreement with all signing CSDs and non-euro area central banks.

#### **4. Working Procedures**

NUGs only deal with issues relevant to T2S. They are invited to actively seek briefing from the T2S Programme Office in relation to live issues, and provide national views in a timely fashion on matters requested by the AG Secretary or raised by the NUG. The T2S Programme Office regularly provides information to the NUGs on markets participating in T2S and organises meetings with such NUG secretaries via the NUG experts network to foster the interaction between the NUGs and the T2S Programme Office.

The NUGs will endeavour to have regular meetings aligned with the schedule of AG meetings, so that they can offer advice to national AG members. However, no AG member is

bound by any such advice. NUGs may also make written submissions to the AG via the AG Secretary and invite an AG member to present its view.

The NUG Secretary aims at circulating an agenda and relevant documents for discussion at an NUG meeting at least five business days ahead of the meeting. A summary of an NUG's meeting will be published on the T2S website and, if deemed appropriate, on the website of the respective NCB. The publication should ideally be made in English and, if required, in the relevant national language within three weeks after each NUG meeting.

The members of the NUGs will be published on the T2S website. The NUGs will also publish an NUG-contact e-mail address on the T2S website, so that participants in national markets know whom to contact to express their views.