

Impact analysis report

Non-compliance with T2S harmonisation standards

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1. Introduction

This report provides an assessment of the impact resulting from the fact that so far compliance with agreed T2S harmonisation standards has not been achieved for all standards and/or in all T2S markets. The impact assessment thus complements the 2019 report on securities settlement and collateral management harmonisation progress in T2S markets.¹ The report is provided by the AMI-SeCo and focusses on the non-compliance with the core T2S securities settlement harmonisation standards (former Priority 1 T2S harmonisation standards).

The impact analysis is carried out as part of the monitoring exercise, whenever the respective T2S National Stakeholder Group (NSG) reported to the AMI-SeCo that the respective T2S market has not fully complied with one or several T2S harmonisation standards up until mid-November 2019. In line with the agreement by the former Market Infrastructure T2S Board (now MIB) in 2013, this report contains also the advice given by the AMI-SeCo (former T2S Advisory Group (AG)) to the MIB on the course of action to be taken as regards each case of non-compliance.

The report is structured as follows. Section 2 describes the methodology according to which the assessment was done. Section 3 provides an overview table on the overall impact per T2S market, whereas section 4 provides a detailed description of the non-compliance, the respective impact and plans including estimated timelines for achieving compliance for each non-compliant T2S market. Section 5 concludes with the AMI-SeCo proposals to the MIB for further action, which have been agreed by the AMI-SeCo on 4 December 2019 and have been endorsed by the MIB.

¹ For more information and the published report, see [AMI-SeCo](#).

2. Methodology for assessment of non-compliant markets

For assessing as to whether the expected impact in terms of expected severity, volumes/frequency and risk is high, medium or low, the below methodology was used.

	Impact category		
	Severity (is a qualitative assessment of the impact on the T2S community, i.e. the level of adaptation needed by users and investor CSDs to manage non-standard settlement)	Expected volume/frequency (is a quantitative assessment of the number of settlement instructions that will require non-standard processing in T2S.)	Expected risk of not achieving full compliance (is an assessment of whether a plan for full compliance exists and how far the implementation date of that plan is from publication date of this report.)
High impact	Complex adaptation required from users/investor CSDs to adapt to non-standard processing. It may involve setting up of restriction rules by Investor CSDs, onerous manual processing or require IT development to implement deviating processing for the respective market.	In absolute terms, the estimate is that more than 10,000 instructions per year in T2S will be affected.	No commitment/concrete plan by a market to reach full compliance with a T2S standard by a certain date.
Medium impact	Significant adaptation is required from users/investor CSDs to adapt to non-standard processing. This may require IT development to implement deviating processing for the respective market or involve regular use of manual processing.	In absolute terms, the estimate is that 1,000 – 10,000 instructions per year in T2S will be affected.	There is a commitment/concrete plan of a market to achieve full compliance with a T2S standard but the implementation date is more than 12 months after publication of the report.
Low impact	Small or no IT adaptations required from users/investor CSDs to adapt to non-standard processing. Some manual processing may be required or processing in T2S could be delayed.	In absolute terms, the estimate is that less than 1,000 instructions per year in T2S will be affected.	There is a commitment of a market to achieve full compliance with a T2S standard no later than 12 months after publication of the report.

3. Summary of results

The non-compliant cases from this impact analysis are summarised in the table below:

T2S markets	Non-compliance with T2S harmonisation standard				
	#2 on Matching Fields	#5 on Schedule for the settlement day	#6 on Corporate Actions	#13 on Availability of omnibus accounts	#14 on Restriction of Omnibus Accounts
AT			Medium		
BE-Euroclear			Medium		
CH			Low		
DE			High		
ES	High				
FR-Euroclear			Medium		Medium
FR – ID2S			Medium	Medium	Medium
HU	Low	Medium	Medium		
IT			Low		
LU – LUX CSD			Low		
NL			Medium		
SK - NCDPC	Low		Low		

The overall level of assessed impact for the relevant T2S markets is broadly unchanged compared to last year's assessment. Two markets have achieved full compliance since then, i.e. DK and SK-CDPC, and are therefore not considered in this report anymore. On the other hand, there are also two markets that had not been considered last year, which are now among the non-compliant T2S markets. After the Swiss market had already achieved full compliance, it does not comply with T2S corporate actions (CA) Transformation Standard 2 anymore after a T2S Release in June 2018. The impact is however very minor, both in terms of qualitative and quantitative measures. The other new market covered in this report is the new T2S French CSD, ID2S, which does not comply with T2S standards 6, 13 and 14.²

² additional information has been requested from the FR NSG on ID2S but not received at the time of publication. See further details in section 4.6.2.

4. Impact assessment of non-compliance per T2S Market

4.1 Austria

Austrian market impact (Migration wave 4: 6 February 2017)

AT non-compliance: T2S corporate actions standards	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>MEDIUM</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

The Austrian market does not comply fully with the three T2S CA standards:

- Market Claims Standards 6 and 7: to mitigate the risk of tax fraud, the Austrian market is not considering the “opt-out”, “ex” and “cum” flags when generating market claims in T2S;
- Market Claims Standard 23 – the Austrian CSD does not provide to its participants a “user friendly facility” in order for them to control the interdependence of the settlement of the market claim with the settlement of the underlying transaction³.

The AMI-SeCo continues to assess the non-compliance with the above standards as having a ‘medium’ severity impact (qualitative) on the rest of the T2S Community. This is based on the assessment that in some scenarios the non-compliance would result in the need for Austrian CSD participants, as well as participants in CSDs having a link with the Austrian CSD, to manually and bilaterally generate market claims. In other scenarios, the same counterparties may need to reverse the wrongly generated market claims by the Austrian CSD. In addition, the same actors may need to wait for the settlement of market claims generated by the Austrian CSD with “on hold” status on securities accounts on which the optional facility to control settlement of market claims has been activated by the Austrian CSD participants. Similarly, there is an impact on investor CSDs, whose market claim instructions cannot match in T2S with those generated by the Austrian CSD in the scenarios when the latter does not generate market claims in accordance with the T2S CA Standards.

Only a few settlement instructions were expected to be affected per year. The reasons for this are that i) the Austrian banks agreed not to actively use the cum/ex and opt/out flags; thus few cases are expected where these flags will be used in the settlement instructions and ii) the harmonisation of the sequence of key dates used for corporate actions processing within T+2 will result in much lower volumes of market claims. The actual number of settlement instructions concerned for the period from 16 August 2018 to 15 August 2019 is estimated to be below 1000 settlement instructions per year. :

- Standards 6 and 7 (instructions with cum/ex/opt-out indicator) : 5
- Standard 23 (claims flagged with automatic party hold at account level): 763

As this estimation is below 1,000 settlement instructions per year, the AMI-SeCo assessed it as having a low quantitative impact on the rest of the T2S community. However, the affected volumes may increase in the future, depending on the number or relevant CSD link arrangements to be established.

Finally, since the Austrian market is still not considering any plan for achieving full compliance, there continues to be a high risk for not implementing a compliance resolution in the foreseeable future.

Given the above, AMI-SeCo assesses the overall impact as “Medium”.

³ Instead, OeKB provides its participants with an optional facility allowing them to indicate that all market claims, generated by the CSD on certain securities accounts, should be with ‘on hold’ status. This mechanism is against T2S CA standard 23 as also explained in the related Frequently Asked Questions documentation published by the T2S community.

4.2 Belgium

4.2.1 Euroclear Belgium

BE market (EoC) impact (migration wave 3: 12 September 2016)

BE market (EoC) non-compliance: T2S corporate actions standards	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>MEDIUM</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Belgian market (EoC) does not fully comply with the following T2S CA Standards; Market Claim and Transformations Standard no. 11 (on cash compensation), and Transformation Standard 9 (on mandatory reorganisation into multiple outturns).

Transformation Standard Both Market Claims Standard 11 and Transformations Standard 11 relate to the same issue, outturn securities fractions. Euroclear Belgium is compliant with the rounding down requirement with regard to these outturn securities, for both Market Claims and Transformations. However, Euroclear Belgium is not yet fully compliant with the cash compensation provision in both Standards.

Regarding T2S CA Standards on Buyer Protection, ESES CSE6 functionalities are now fully delivered by the CSD. However, a change to the Belgian Code of Companies & Associations was required for events with quoted rights (mostly capital increase events). The new code applies as from 1 May 2019 to companies established after that date and as from 1 January 2020 to pre-existing companies.

The reasons behind this implementation gap are i) the decision of the Belgian market to delay full compliance with the Transformation Standard related to compensations by multiple outturns and ii) a decision of the Belgian market to comply with the Buyer Protection Standards at a later stage.

The gap has the following consequences:

- In the case of reorganisations with options, pending instructions that need to be transformed are only cancelled and the required transformed instructions are not generated by Euroclear Belgium;
- The key dates necessary for managing buyer protection are not always provided by Euroclear Belgium to its participants⁴.

As a consequence participants in investor CSDs, linked to Euroclear Belgium, are not able to process some types of transformations and buyer protection instructions according to the T2S CA standards. The AMI-SeCo has assessed that this non-compliance translates into a medium impact (severity) for T2S CSDs and their participants. The affected actors have to support non-standard and manual processing for managing market claims, transformations and buyer protection instructions generated in the Belgian market.

In terms of the affected volumes, non-compliance with Market Claims Standard no 11 and Transformation Standards no 9 and 11 does not materialise in practice on the Belgian market. Regarding the non-compliance on Buyer Protection Standards, the exact number of affected instructions is estimated as low (less than 1000 for the period from 16 August 2018 to 15 August 2019).

⁴ ESES has the technical capability to announce buyer protection key dates, which is only used by NL market for OTC transactions since January 2016.

Furthermore, the cross-CSD volumes are estimated to be low due to the few existing CSD links between Euroclear Belgium and the other CSDs in T2S.

The plan of the Belgian market is that compliance should be met for all T2S CA standards in Q1 2021 with Euroclear migrating mandatory events to its new CA platform. Full compliance with the T2S CA standards on Buyer protection should be reached already in Q1 2020.

Given the low volume and existing plans for implementation in the near future the AMI-SeCo assesses the overall impact as medium.

4.3 Switzerland

SIX SIS (CH) market impact (migration wave 1 June 2015)

CH non-compliance: T2S corporate actions standards	
Overall impact	LOW
<i>Severity (qualitative)</i>	<i>LOW</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

The Swiss market complies with all T2S CA standards, except with the T2S CA Transformation Standard 2, for which no implementation date has been defined:

- The Aim of T2S CA Transformation Standard 2 is that CSD participants should have the possibility to send settlement instructions to the T2S System during the 20 day period following the maturity date of a security (“old” ISIN). During this 20 day period instructions sent by CSD participants will be validated and allowed to match but not to settle. Transformation detection process should be performed at least once per day. Only transformed settlement instructions will be sent to T2S for settlement. After the end of this 20 day period all instructions from CSD participants, irrespective of their matching status, will be cancelled by T2S.
- The Current Swiss Market Practice (incl. Liechtenstein) is that settlement instructions can be sent for matching until EOD on Record Date. At the EOD on Record Date all pending settlement instructions that are matched will be transformed automatically. Unmatched transactions will be cancelled by SIX SIS and will not be transformed. After Record Date all incoming instructions from CSD participants will be rejected by SIX SIS. The static data of the ISIN are inactivated after the record date/maturity date on the SIX SIS legacy system (SECOM). Consequently, Swiss Market Practice will overrule any incoming instruction of “old ISINs” in Euro centrally held by SIX SIS and accordingly, instructions in “old ISINs” will no longer be matched on T2S.

Since the implementation of the relevant change on T2S (June 2018), SIX SIS has not experienced any such affected instructions. Therefore, in view of the very limited number of affected transactions (if any), the effect of non-compliant practice with the Transformation Standard 2 is estimated to be low (zero) for the near future.

At least for the time being, SIX SIS has decided not to replicate the specific T2S functionality of the 20 day Transformation Period following the maturity date of a security. SIX SIS arrived at this conclusion (i) after assessing the number of impacted transactions which turned out to be zero; (ii) as current Swiss (incl. Liechtenstein) market practice for CHF currency transactions in its legacy system will remain unchanged and (iii) against the background of a disproportionate financial impact on SIX SIS. The latter is mainly caused by the home market settlement system (SECOM) running in parallel to the T2S system and the fact that SIX SIS has to cover additional market practices that are different to those of T2S.

The implementation gap could have the following consequences:

- SIX ICP-participants, SIX DCP-participants and participants in investor CSDs linked to SIX SIS are not able to instruct after record date/maturity date in the “old ISINs” in a fully automated way according to the T2S Standard.
- The affected actors will have to support manual processing for managing transformations (mostly actors over SIX SIS for ISINs centrally held at EU CSDs, or for ISINs centrally held by SIX SIS also those actors of other CSDs on T2S are affected):
 - As indicated above, after Record Date unmatched instructions are rejected by SIX SIS;
 - Upon request by the actors, SIX SIS will re-open the ISIN on a case-by-case basis that allows participants to re-instruct for matching;
 - After matching under the “old ISIN” the transformation will proceed normally, and the transformed settlement instruction will be sent to T2S.

In terms of the scope of the implementation gap the main relevant events affecting transformation are: Repurchase Offer, Conversion, Mandatory Exchange, Early Redemption, Merger, Partial Redemption with Reduction of Nominal, Spin-Off, Split and Reverse Split.

The Swiss market achieved full compliance with all T2S CASG Standards soon after its migration in the first wave in June 2015. Subsequent to the T2S Release in June 2018, this Transformation Standard 2 is the only one SIX SIS is not compliant with. As long as above mentioned circumstances remain unchanged, Transformation Standard 2 is not scheduled to be replicated by SIX SIS in its legacy system, i.e. no plans are in place to implement the standard.

Given the above, the AMI-SeCo assesses the overall impact as low.

4.4 Germany

German market Impact (Migration wave 4: 6 February 2017)

DE non-compliance: T2S corporate actions standards	
Overall impact	HIGH
<i>Severity (qualitative)</i>	<i>HIGH</i>
<i>Expected volume/frequency (quantitative)</i>	<i>HIGH</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

The German market does not comply fully with the T2S CA standards.

Although the German market achieved a major milestone on 1 January 2017, by introducing the “record date”, the following compliance gaps are still present:

- Market Claims Standard 8: The non-compliance is related to the slightly differing definition of irrevocable transactions by the CAJWG / T2S CA standards and by the German market practice. According to the standards market claims should be generated on matched transactions. The German market practice prescribes generating market claims on settled transactions (which it deems irrevocable) but not on pending matched transactions (which are not yet settled). The German market has highlighted this issue in relation to the wording of the standards and will propose that this is to be discussed in the context of updating / maintaining the CAJWG and T2S CA standards.⁵

Furthermore, the German market does not have in place an automated CSD centralised mechanism to generate market claims on OTC transactions in non-flat bonds which raises certain operational difficulties in the context of cross-CSD settlement.

⁵ At the last CASG meeting on 29.10.2019 topic of irrevocability especially the usage of Hold/Release mechanism for market claims was discussed, because this generated problems identified based on recent experience

Non-compliance with this standard has a low impact on the T2S Community from a qualitative perspective.

- Market Claims Standards 9, 10, 14, 15, 16 and 25: These standards refer to management and processing of cash entitlements related to market claims. Non-compliance with these standards has a high impact on the T2S Community from qualitative perspective.
- Market Claims Standards 7, and 19: Gaps refer to the “CUM” indicator in the T2S messages and the generation of market claims only after the underlying transaction has settled. Implementation is dependent on the consent of German public authorities and agreement in the German Market Practice Committee. Nevertheless, the German community believes that the use of the “CUM” indicator in T2S markets should be surveyed and – subject to the outcome of such survey – the need for the “CUM” indicator and the relevant standard could be discussed.⁶ Non-compliance with these standards has a low impact on the T2S Community from qualitative perspective.
- Buyer Protection Standard 10: the German market is not compliant with the standard as no common framework / procedure for communicating Buyer Protection deadlines have been introduced yet.

According to the volumes data provided by the German NSG, for the period from September 2018 to September 2019, the number of settlement instructions in which the cum flag was used (related to the non-compliance with Market Claims Standard 7) amounted to 32 (among them 16 related to DE ISINs and 16 related to non-European ISINs). In the same period, Clearstream generated a total of 138 084 market claims for DE ISINs. Considering the non-compliance with Market Claims Standards 8, 9, 10, 14, 15, 19 and 25, a probable volume of over 10 000 transactions is assessed as having a high quantitative impact to the rest of the T2S community.

Implementation of the Market Claims Standards with high impact on the T2S Community (payment on T2S DCA accounts) is now planned for Q2 2020. This is due to the extended authorisation process resulting from the CSDR application and the subsequent additional requirements to be developed and implemented in priority.

Based on the information provided by the German NSG, the AMI-SeCo has concluded that the German market’s non-compliance will continue having a high impact overall, both in qualitative as well as quantitative terms, until it achieves compliance with the high impact standards, currently scheduled for 2020. The impact is expected to be low thereafter.

4.5 Spain

Spanish market impact (final migration wave: 18 September 2017)

ES non-compliance: T2S standard on matching fields	
Overall impact	HIGH
<i>Severity (qualitative)</i>	<i>MEDIUM</i>
<i>Expected volume/frequency (quantitative)</i>	<i>HIGH</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

The Spanish market does not comply fully with the T2S standard 2 on matching fields.

The non-compliance stems from the fact that for intra-CSD settlements on equities there is a requirement in place in the Spanish market by which the T2S optional matching field “Client of the CSD participant” is filled in with the end-investor information which is not necessarily the client of the CSD participant, and therefore results in a misuse of the matching field.

The requirement forces participants in the Spanish market which are active also in other T2S markets to support a deviating non-harmonised process for instructing and reconciling intra-CSD settlements on equities in the Spanish market. However, the Spanish market follows this practice only for intra-CSD on

⁶ The German community believes that backdating the Trade Date could be used as a trigger for market claims instead of the “CUM” indicator.

equities and not for cross-CSD instructions or for fixed-income securities, for which the practice is not in conflict with the T2S Standard. Therefore, the qualitative impact on the T2S Community is expected to be medium.

The volumes involved are expected to be high as all the intra-CSD volumes on equities are affected. According to the ECB Statistical Data Warehouse, Iberclear had 7.5 million intra-CSD equity transactions in 2018.

Currently, there is no formal plan by the Spanish market to fully comply with the T2S Standard as it is and thus the risk of not achieving full compliance (as per the agreed methodology) is high. Therefore the overall impact of the non-compliance is assessed to be high. However, it is important to note that discussions are on-going in the Harmonisation Steering Group of the AMI-SeCo on the potential ways to resolve the issue.

4.6 France

4.6.1 Euroclear France

4.6.1.1. T2S Corporate Actions standards

FR market impact – T2S CA standards (migration wave 3: 12 September 2016)

FR non-compliance: T2S corporate actions standards	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>MEDIUM</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The French market (EoC FR) does not comply fully with the T2S CA Standards on market claims and transformations, more specifically Market Claims Standard 11 and Transformation Standards 9 and 11. Euroclear (FR) intends and plans to be fully compliant in Q1 2021.

For Market Claims Standard 11 and Transformations standard 11 the rounding down requirement is met, however not fully in the case of cash compensation:

- If the reference price is not known before the end of Record Date, Euroclear France does not generate the required PFOD transaction.
- If the reference price is known at Record Date, Euroclear France does not compensate the fractional part related to stock distribution.

For Transformations standard 9 Euroclear France currently does not support multiple outturns in case of mandatory events and further does only generate transformed instructions if the ratio is 1 for X securities.

The reasons behind this implementation gap are i) the non-compliance of the French market with the underlying EU market standards⁷, and ii) the decision of the French market to delay full compliance with the market claims and transformations standards related to managing fractions in the case when the reference price is available prior to the end of day on Record Day (RD) and for compensations by multiple outturns.

The gap has the following consequences:

- Market claims related to fractions on securities entitlements in the case when the reference price is available prior to end of day on Record Day (RD) and on multiple outturns are not generated by Euroclear France;

⁷ Corporate Actions Joint Working Group (CAJWG) standards

- In the case of reorganisations with options, pending instructions that need to be transformed are only cancelled and the required transformed instructions are not generated by Euroclear France. In addition, transformations related to fractions on securities entitlements in the case when the reference price is available prior to end of day on RD and transformations in the case of multiple outturns are not processed by Euroclear France;

As a consequence participants in investor CSDs linked to Euroclear France are not able to process some types of market claims and transformations instructions fully according to the T2S CA standards. The AMI-SeCo has assessed that this non-compliance translates in a medium impact (severity) for T2S CSDs and their participants. The affected actors have to support non-standard and manual processing for managing market claims and transformations instructions generated in the French market.

In terms of the affected volumes, the non-compliance with Market Claims Standard 11 (i.e. processing of cash compensation of the fractional part in case of stock distribution if the reference price is available prior end of record date) and with Transformation Standard 11 (on mandatory reorganisation in outturn securities fractions without options) does not materialise in practice in the French market. There are a very low number of events following this scheme (compensation based on a reference price), since 2017 no event was concerned. This has further led to a medium priority for the correction of this defect. The non-compliance with Transformation Standard 9 does also not materialise in practice in the French market. Furthermore, the cross-CSD volumes are estimated to be low due to the few existing CSD links between Euroclear France and the other CSDs in T2S.

The plan of the French market is that compliance should be met for all T2S CA standards in Q1 2021 with Euroclear migrating mandatory events to its new CA platform. Given the low volume and existing plan for implementation in the near future the AMI-SeCo assesses the overall impact as medium.

4.6.1.2. Restrictions on Omnibus Accounts

FR market impact – Restrictions on Omnibus Accounts (migration wave 3:12 September 2016)

FR non-compliance: T2S standard on restrictions on omnibus accounts	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>HIGH</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

There is a legal requirement in France to segregate holdings in dedicated accounts based on the legal form of the security (i.e. bearer or fully registered)⁸. The requirement also applies on omnibus accounts of Investor CSDs; i.e. two distinct omnibus accounts are required for the servicing of registered and bearer securities. As a result, the French market is not compliant with the T2S standard on Restrictions on Omnibus accounts” due to the obligation for Investor CSDs and their participants to replicate the account segregation requirement in their books down the holding chain; i.e. requirement to open two mirror accounts, one for bearer and one for registered securities mapped to the two omnibus accounts in Euroclear France.

This mandatory replication down the holding chain presents a number of high impact functional/IT and non-standard operational challenges to the T2S community, hampering the T2S key objective of facilitating efficient harmonised cross-border settlement.

Volumetric measurements showed that there were around 500 affected cross-border transactions on fully registered securities per year⁹. Furthermore, the opening of additional accounts for the servicing of French registered securities was, in many cases, imposed on Investor CSDs and their participants in order to comply with their respective client service level agreements (e.g. settlement services should be made available on all French securities independently of the legal form of the security). According to estimates, around 500 participants in Investor CSDs, which hold French securities, may be affected.

⁸ The two forms of the security are represented by a single ISIN.

⁹ Figures have not yet been provided for the period from 16 August 2018 to 15 August 2019.

This would translate into the need for these Investor CSDs to open 500 additional securities accounts for their clients in T2S.

The risk of non-achieving full compliance is high as there is not yet a defined implementation plan by the French market to achieve full compliance with the standard. No solution is expected in the short term (e.g. using separate ISINs for bearer and registered forms of a security as done by other markets), provided the legal nature of the requirement.

Given the above, the AMI-SeCo assesses the overall impact as medium. However, this assessment could change provided that the cross-CSD volumes of registered securities increase significantly in the future.

4.6.2 ID2S France

4.6.2.1. Availability and Restrictions on Omnibus accounts

FR (ID2S) non-compliance: Availability and Restrictions on Omnibus accounts	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>HIGH</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>LOW</i>

ID2S, the French CSD that joined T2S in October 2018 has not yet enabled the functionalities allowing for cross-border CSD access to its accounts (and hence cross-CSD settlement).

The severity of the non-compliance case is assessed as high as allowing access by other CSDs is a cornerstone of T2S and the T2S harmonisation agenda.

As ID2S has not yet started full scale operations their overall transaction numbers are very low (less than 10 transactions per month since joining T2S). Therefore, the affected volume of transactions is assessed to be low.

ID2S has communicated its plans to enable its cross-CSD functionality and allow access by other CSDs by Q1 2020. Therefore, the risk of achieving non-compliance is assessed to be low.

Overall, the AMI-SeCo assesses the impact of this non-compliant case on the T2S community to be medium.

4.6.2.2. T2S Corporate Action Standards

FR (ID2S) non-compliance: T2S corporate action standards	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>HIGH</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

ID2S, the French CSD that joined T2S in October 2018 has not yet provided information regarding its status of compliance with T2S corporate action standards and have not been assessed by the CASG. Therefore, for lack of information it is assumed that ID2S does not comply with the T2S corporate action standards.

The severity of the non-compliance case is assessed as high.

As ID2S has not yet started full scale operations their overall transaction numbers are very low (less than 10 transactions per month since joining T2S). Therefore, the affected volume of transactions is assessed to be low.

ID2S has communicated plans to secure full compliance. Still, the risk of not achieving full compliance is assessed to be high.

Overall, the AMI-SeCo assesses the impact of this non-compliant case on the T2S community to be medium.

4.7 Hungary

The Hungarian CSD, KELER needed to re-plan its T2S Harmonisation Compliance plans in order to comply with the new set of market standards and legal requirements. The following plans are approved by the HU NSG in its meeting held in September 2019.

The current focus is on the system renewal project (KELER Service Development Program). The key aims of the Program are settlement-related T2S harmonisation and CSDR compliance and the specification of the Program runs parallel with the Program's system developments. The specification is planned to be finalised in Q2 2020, in line with that the interface specification shall be published for the participants of KELER. Market tests are planned to start in Q4 2020 and run until the go-live in March 2021. As a result of the system renewal, KELER shall comply with T2S matching standards and introduce A2A interaction with T2S platform.

Parallel with the KELER Service Development Program, KELER prepares for compliance with Shareholder Rights Directive II requirements. As a result, by September 2020 partial compliance with CA Market Standards shall be reached in connection with Golden Operational Record for listed equities.

In line with the decision of the HU-NSG, further Corporate Action related developments are to be carried out in two phases. The first phase is planned to be carried out by November 2022 in order to comply with AMI-SeCo Corporate Action Harmonisation Standards for mandatory events. This development phase includes full compliance with T2S Corporate Action Standards and with CA Market Standards for Golden Operational Record, and compliance with CA Market Standards for non-elective events. Milestones for this development phase:

- Amendments in law (until 31/12/2021)
- Amendments in KELER's regulations (01/01/2022-31/03/2022)
- Operational model and processes finalization (01/01/2022-31/03/2022)
- KELER development, testing (01/09/2021-31/03/2022)
- Market testing (01/04/2022-30/10/2022)
- Introduction of MC for equities (until 31/11/2022)

KELER plans to implement the processing of elective corporate actions by end-2024. Therefore the Hungarian market is expected to fully comply with CA Market Standards and AMI-SeCo CA Harmonisation Standards by that time.

Currently KELER does not have any cross-CSD link or DCP participant. Further, currently KELER settles in T2S only against payment instructions in euro, therefore non-compliance is relevant only for this subset of transactions.

4.7.1 T2S Corporate Actions standards

Hungarian market impact (migration wave 4: 6 February 2017)

HU non-compliance: T2S corporate actions standards	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>MEDIUM</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Hungarian market does not comply fully with the T2S CA standards. The non-compliance refers to market claims on transactions in equities, which are not detected and generated by the Hungarian CSD (KELER). Furthermore, the Hungarian market has decided to opt-out, by default, from the generation of market claims and transformation until the introduction of the new system, which would allow A2A interaction with T2S.

Manual intervention is required by CSD participants to detect and generate market claims bilaterally where relevant. During the transitory period, the counterparties have to inform KELER for each transaction for which they would like CAs on flow to be generated. Due to the fact that KELER's only investor CSD link has been terminated in 2019 the qualitative impact on the T2S Community is estimated to be medium

The number of settlement instructions impacted, i.e. the expected volume of non-generated market claims, is estimated to be very low. This is due to the fact that in practice almost all market claims that would need to be generated involve cash entitlements in the domestic currency (HUF), i.e. they have to be generated outside T2S. As a result, only transactions involving securities entitlements or cash entitlements in EUR are affected. The following estimates have been provided by the Hungarian market on the affected volumes:

- For HU-ISINs the estimated number of settlement instructions impacted by market claim and transformations – for FOP and HUF DVP pending transactions on RD is estimated to be around 400-600 per year for equities (mostly dividend payment in HUF) and 100-200 per year for bonds (mostly interest payments in HUF)
- The opt-out field will be populated by the counterparties, and not with a default opt-out indicator, as of the introduction of KELER's new A2A system. The introduction of their new A2A system has been postponed to end of March 2021 and the full compliance with the T2S CA Standards has now been rescheduled by end 2022.

Given the above, the AMI-SeCo assesses the overall impact of non-compliance as medium.

4.7.2 Schedule for Settlement day and T2S Calendar

Hungarian market impact (migration wave 4: 6 February 2017)

HU non-compliance: T2S standard on schedule for the settlement day	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>HIGH</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>HIGH</i>

The Hungarian market does not comply fully with the T2S standard on schedule for settlement day. The non-compliance is due to the fact that KELER does not fully follow the T2S calendar, i.e. in that they are open on the 1st of May. The qualitative impact of this non-compliance is estimated as high since the timing in respect of sending settlement instructions to and receiving reports from T2S-relevant settlement processes will depend on the CSD participants' model for connectivity with T2S (DCP, user to application, etc.). As a consequence, if CSD legacy systems do not follow the T2S operating hours the CSD participants (investor CSDs, DCPs and indirectly connected parties (ICPs)) may not receive the same level of service.

The number of settlement instructions impacted is estimated to be low as KELER settles only EUR DVP transactions of securities with HU ISIN in T2S. KELER further highlights that these transactions cannot be settled when T2 is closed. The volume of impacted transactions is estimated to be similar to the expected impact of non-compliance with T2S standard on matching fields, for which the number of impacted EUR DVP transactions for the period from 16 August 2018 to 15 August 2019 was 252.

Currently, there is no formal plan by the Hungarian market to fully comply with the T2S Standard on Schedule of settlement day and thus the risk of not achieving full compliance is high.

Given the high severity, low volume and lack of plan for implementation in the near future the AMI-SeCo assesses the overall impact as medium.

4.7.3 T2S Matching fields

Hungarian market impact (migration wave 4: 6 February 2017)

HU non-compliance: T2S standard on matching fields	
Overall impact	LOW
<i>Severity (qualitative)</i>	<i>LOW</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Hungarian market does not comply fully with the T2S standard on matching fields.

Non-compliance is limited to a subset of intra-CSD settlement activity, where KELER continues to follow its current matching practices in its legacy platform before sending the instructions to T2S, in an already matched status.

The non-compliance is due to the fact that KELER does not use some of the T2S matching fields (and not due to the usage of some proprietary matching fields) when matching takes place in the legacy platform¹⁰. The non-compliance issue is not applicable when matching takes place in T2S, i.e. DCPs' or cross-CSD instructions, since this is only possible by following the T2S matching fields. The only actors, which are affected, are the HU market participants, which have to support two different processes for matching when they are settling in KELER and for their cross-CSD settlements in T2S. This will result in low severity impact on the T2S Community.

The number of impacted EUR DVP transactions for the period from 16 August 2018 to 15 August 2019 was 252. The Hungarian market has committed to comply with this standard for all settlements by March 2021, in line with the rescheduled project plan for core system modernisation and the implementation of A2A connectivity to T2S.

Given the above, the AMI-SeCo assesses the overall impact of non-compliance as low.

4.8 Italy

4.8.1 T2S interaction for tax info

This non-compliance case is listed here for the sake of completeness and consistency with the outcomes of the 2019 10th AMI-SeCo harmonisation progress report to which this non-compliance impact analysis is annexed. However, in so far as the AMI-SeCo mandated on 22 June 2018 the HSG to continue working on the review of this standard to allow the transmission of tax information in T2S settlement messages, the T2S Standard (4) on tax info requirement may evolve in the future.

At the current stage of the discussion, the Italian market does not fully comply with the T2S standard on tax info requirement for transactions related to portfolio transfers.

According to the T2S standard on tax info requirement, tax-related information for domestic and cross-CSD transactions is not to be passed via T2S messages. However, the Italian market has defined a Market Practice to manage Portfolio Transfer through T2S. This market practice includes in T2S messages some details regarding the portfolio to be transferred, which are tax-related and can be used for calculating future taxation. This additional details are related to data stored at the level of the custodian bank who is delivering portfolio that are to be passed to the new custodian to guarantee continuity to the securities holder.

¹⁰ As a consequence and for some T2S matching fields, KELER will use default values: opt-out indicator (NOMC), ex-cum indicator (blank), common trade reference (blank), Client of the CSD participant (blank) when the instruction is submitted to T2S for settlement as "already matched". It should be mentioned that even if the default value of the opt-out field will be NOMC, the counterparties could indicate to KELER that this field is blank as well

In transactions not related to portfolio transfers the Italian market fully complies with the standard. This also implies that the non-compliance case would be resolved once a common approach to portfolio transfers is agreed and – in line with the AMI-SeCo’s decision in June 2018 – the standard is potentially amended to take this common approach into account.

With a view to this and the on-going discussion a formal impact assessment is not presented on this non-compliance case.

4.8.2 T2S Corporate Action Standards

Italian market impact (Migration wave 1: 31 August 2015)

IT non-compliance: T2S corporate actions standards	
Overall impact	LOW
<i>Severity (qualitative)</i>	<i>LOW</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Italian market is not compliant with Transformation Standard no 3 of the T2S corporate action standards.

The lack of full compliance stems from the fact that when performing transformations the trade proceeds (cash) are moved in the wrong direction by Monte Titoli, i.e. not from the buyer to the seller but the other way round. On the expiry of the rights, the trade proceeds should still be moved from the buyer to the seller as per the direction of the original trade. However, these trades are being processed in the wrong direction and the buyer is being credited the trade proceeds incorrectly. Monte Titoli has in place a manual workaround (correction) to manage these cases but this workaround does not eliminate the non-compliance with Transformation Standard 3 itself.

The result of the non-compliance is that members of the T2S community would face workarounds in such cases and cannot rely on a fully automated procedure in line with the standard. This issue was already detected last year and the proposed workaround accepted when presented in the CASG. However, in this year’s analysis the CASG concluded that with a stricter interpretation of the standard the workaround does not satisfy the criteria for a full compliance status. Considering that a workaround exists, the AMI-SeCo assesses the severity of this case to be to be low.

The expected volume of transactions affected by the non-compliance is low; in 2018 only 10 transactions were impacted and even fewer are expected for 2019.

The risk of not achieving full compliance by the Italian market is medium as no concrete plans are in place to secure full compliance. However, the AMI-SeCo takes note that the issue raised by CASG is currently under discussion in the Italian market and that more details are foreseen for 2020.

Based on the above, the overall impact of the non-compliance is assessed as low.

4.9 Luxembourg

Luxembourgish (LuxCSD) market impact (Migration wave 4: 6 February 2017)

LU (LuxCSD) non-compliance: T2S corporate actions standards	
Overall impact	LOW
<i>Severity (qualitative)</i>	<i>LOW</i>
<i>Expected volume/frequency (quantitative)</i>	<i>MEDIUM</i>
<i>Risk of not achieving full compliance</i>	<i>LOW</i>

The Luxembourgish (LUX CSD) market is not compliant with Buyer Protection Standard no 10 of the T2S corporate action standards.

The lack of full compliance stems from the fact that the key Buyer Protection dates are not yet notified although the CSD is technically ready to transmit this information. Buyer Protection deadlines cannot be

complied with if the CSD does not notify Buyer Protection dates. Generally, the non-compliance with these standards by T2S markets could hamper the efficient management of corporate actions on flows, especially in the context of cross-CSD settlement. In the case of LUX CSD, the qualitative impact of non-compliance is estimated as low.

The expected volume of transactions affected by the non-compliance is medium.

The current proposed implementation plan, as stated in the E-MIG survey of 2019, is that LUX CSD calculates such dates as per standards and notifies participants accordingly. This notification will be subject to market validation with subsequent implementation in 2020.

Based on the above, the overall impact of the non-compliance is assessed as low.

4.10 Netherlands

Euroclear (NL) market impact (migration wave 3: 12 September 2016)

NL non-compliance: T2S corporate actions standards	
Overall impact	MEDIUM
<i>Severity (qualitative)</i>	<i>MEDIUM</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Dutch market (Euroclear Nederland) complies with all T2S CA standards, except with Transformation Standard 9, Transformation Standard 11 and Market Claims Standard 11. Euroclear (NL) intends and plans to be fully compliant in Q1 2021.

For Market Claims Standard 11 and Transformations standard 11 the rounding down requirement is met, however not fully in the case of cash compensation:

- If the reference price is not known before the end of Record Date, Euroclear Nederland does not generate the required PFOD transaction.
- If the reference price is known at Record Date, Euroclear Nederland does not compensate the fractional part related to stock distribution.

For Transformations standard 9 Euroclear Nederland currently does not support multiple outturns in case of mandatory events and further does only generate transformed instructions if the ratio is 1 for X securities.

As a consequence participants in investor CSDs linked to Euroclear Nederland would not be able to process some types of market claims and transformations instructions fully according to the T2S CA standards.

The AMI-SeCo has assessed that this non-compliance translates into a medium impact (severity) for T2S CSDs and their participants. The affected actors have to support non-standard and manual processing for managing some transformation instructions generated in the Dutch market.

In terms of the affected volumes, regarding the non-compliance on Transformation Standard 9, the exact number of affected instructions is estimated as low, because the occurrence of multiple outturns for mandatory events is rare on the Dutch market. Furthermore, the cross-CSD volumes are estimated to be low due to the few existing CSD links between Euroclear Nederland and the other CSDs in T2S.

Full compliance with all T2S CA standards is planned for Q1 2021 as Euroclear Nederland migrates mandatory events to its new CA platform.

Given the low volume and existing plan for implementation in the near future the AMI-SeCo assesses the overall impact as medium.

4.11 Slovakia

4.11.1 NCDP

4.11.1.1. T2S standard on matching fields

Slovakian market (NCDP) impact (migration 30 October 2017)

SK (NCDP) non-compliance: T2S standard on matching fields	
Overall impact	LOW
<i>Severity (qualitative)</i>	<i>LOW</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Slovakian market (NCDP) does not comply fully with the T2S standard on matching fields. In particular, matching in the legacy system of NCDP is not compliant with the T2S standards, because the transaction code is a mandatory matching field in order to prevent incorrect intra-CSD matching of e.g. ordinary OTC trades with securities transfer stemming from inheritance, matching of instruction with available securities with instruction with pledged securities, etc.

Therefore, NCDP's participants willing to use these market specific operations, i.e. securities in co-ownership and pledged securities, have to do it via sending their settlement instructions in Indirectly Connected Parties (ICP) mode to the legacy system of NCDP. Following matching in NCDP, "already matched instructions" will be sent to T2S for settlement. However, the impact can be considered low for DCPs and Investor CSDs in T2S, which decide not to engage in cross-border business with securities held in co-ownership in NCDP. Furthermore, what limits the negative impact is that currently NCDP has only one link with the other Slovakian CSD – CDCP SR.

The number of such transactions with securities held in co-ownership and pledges for the period from 16 August 2018 to 15 August 2019 was 0.

NCDP plans to address this issue by end of year 2020.

Based on the above, the Slovakian market's non-compliance is assessed by the AMI-SeCo as having a low overall impact on the T2S Community.

4.11.1.2. T2S Corporate Action Standards

Slovakian market (NCDP) impact (migration 30 October 2017)

Slovakian (NCDP) non-compliance: T2S corporate actions standards	
Overall impact	LOW
<i>Severity (qualitative)</i>	<i>LOW</i>
<i>Expected volume/frequency (quantitative)</i>	<i>LOW</i>
<i>Risk of not achieving full compliance</i>	<i>MEDIUM</i>

The Slovakian market (NCDP) does not comply with the T2S CA standards on transformations and buyer protection, and complies with only 68% of the T2S CA standards on market claims. In particular, currently NCDP does not do transformations (by cancelling and replacing) transactions and has not implemented the Buyer Protection Standards.

The non-compliance of the Slovakian CSD in a cross-CSD scenario may result in lack of matching of instructions related to transformations if the other CSD generates the instructions in accordance with the standards. Similarly, standardised BP will not be possible in T2S for NCDP participants. Thus there is a high severity in the case of non-compliance.

In terms of the affected volumes, the affected volume for the period from 16 August 2018 to 15 August 2019 is zero.

The Slovakian market (NCDP) plans to become fully compliant with the T2S CASG standards by end of year 2020.

Based on the above, the Slovakian market's (NCDP) non-compliance is assessed as having a low overall impact on the T2S Community.

5. AMI-SeCo proposals to MIB

It is recalled that, at the time when the T2S Board (now MIB) endorsed the T2S harmonisation standards compliance framework back in 2013, the T2S stakeholders considered “*the standards as mandatory, since they have taken a commitment to comply with the standards vis a vis the rest of the T2S community. Any situation of non-compliance with harmonisation standards should thus be exceptional and motivated by a barrier that the various actors in a specific T2S market are not able to remove*”. With this agreed principle in mind, the AMI-SeCo would like to stress the importance of stepping up efforts towards achieving full compliance soon, in order to enable markets to reap fully the benefits from cross CSD processes in T2S.

To this end, and in line with the agreed potential measures to be taken¹¹, *the MIB proposes to the MIB in parallel to approving the 2019 harmonisation progress report, the below course of action for each respective non-complying T2S market.*

Based on the AMI-SeCo advice, the Market Infrastructure Board took the following decisions¹²:

The Market Infrastructure Board will continue to monitor, with the help of the AMI-SeCo and the ECB team, the implementation plans of all markets covered in the impact analysis report. The ECB team will report on the monitoring results and any other relevant developments to the MIB during its meetings.

Austria

T2S Corporate Actions Standards

Given the medium severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- reiterated its invitation to the Austrian market to develop a plan for full compliance with the remaining T2S CA Standards.

Belgium - Euroclear Belgium

T2S Corporate Actions Standards

Given the medium severity of non-compliance, low volumes and existing implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- took note of the Belgian market’s (Euroclear Belgium) plan for compliance with the T2S Standards on corporate actions.

¹¹ As agreed by the MIB, this could entail ex ante measures, such as raising awareness of the impact analysis results to the non-compliant market, escalating bilaterally with the relevant actors in the non-compliant market or escalating the matter to the Governing Council of the ECB, and ex post measures, such as postponing the deadline for compliance of the T2S market in question, if there is satisfactory evidence that the T2S harmonisation standard(s) will be met or considering measures of limiting the asymmetry of non-compliance with the complying T2S markets.

Switzerland**T2S Corporate Actions Standards**

Given the low severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the low overall impact on the rest of the T2S Community;
- invited to the Swiss market (SIX SIS) to develop a plan for full compliance with the remaining T2S CA Standard.

Germany**T2S Corporate Actions Standards**

Given the lack of compliance with the high impact T2S CA standards, the MIB:

- confirmed the high overall impact of the German market's non-compliance on the rest of the T2S Community till full compliance with the high impact standards is resolved.
- took note of the German market's plan for compliance with the T2S Standards on market claims with high impact on the T2S community.
- reiterated its invitation to the German market to develop a plan for full compliance with the remaining T2S standards.

Spain**T2S Matching fields**

Given the medium severity, high volume and lack of plan to achieve full compliance, while taking note of the on-going discussion within the AMI-SeCo HSG, the MIB:

- confirmed the high potential overall impact on the rest of the T2S Community;
- requests from the Spanish market to closely monitor the affected transaction volumes in T2S and provide the relevant statistics to the MIB (via the ECB team);
- took note of the on-going discussion in the Harmonisation Steering Group on the impact of the non-compliance on non-Spanish stakeholders.

France – Euroclear France**T2S Corporate Actions Standards**

Given the medium severity of non-compliance, low volumes and existing implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- took note of the French (Euroclear France) market's plan for full compliance with the T2S Standards.

T2S Standard on Restrictions on Omnibus Accounts

Given the high severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- reiterated its invitation to the French market (Euroclear France) to develop a plan for full compliance with the T2S Standard on Omnibus Account.

France – ID2S**T2S Corporate Actions Standards**

Given the high severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- invited the French market (ID2S) to develop a plan for full compliance with the T2S Standard on corporate actions.

T2S Standard on Availability and restrictions on Omnibus Accounts

Given the high severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- invited the French market (ID2S) to develop a plan for full compliance with the T2S Standards on Omnibus Account availability and restrictions.

Hungary**T2S corporate actions standards**

Given the medium severity of non-compliance, low volume and existing implementation plan to achieve full compliance with all T2S corporate action standards, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- took note of the Hungarian market's plan for full compliance with the remaining T2S CA Standards.

T2S standard on matching fields

Given the low severity, low volume and existing implementation plan to achieve full compliance, the MIB:

- confirmed the low overall impact on the rest of the T2S Community;
- took note of the Hungarian market's plan for full compliance with the T2S Standard on matching fields.

T2S standard on T2S calendar

Given the high severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- invited the Hungarian market to develop a plan for full compliance with the T2S standard on the T2S calendar

Italy**T2S corporate actions standards**

Given the low severity of non-compliance, low volumes and lack of an implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- took note of the ongoing discussions in the Italian market;
- reiterated its invitation to the Italian market to develop a plan for full compliance with the remaining T2S standards.

Luxembourg**T2S corporate actions standards**

Given the low severity of non-compliance, medium volume and existing implementation plan to achieve full compliance with all T2S corporate action standards, the MIB:

- confirmed the low overall impact on the rest of the T2S Community;
- took note of the Luxembourgish market's plan for full compliance with the remaining T2S CA Standards.

Netherlands**T2S Corporate Actions Standards**

Given the medium severity of non-compliance, low volumes and existing implementation plan for full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- took note of the Dutch market's plan for full compliance with the remaining T2S CA Standards.

Slovakia - NCDCP**T2S standard on matching fields**

Given the low severity of non-compliance, estimated low volumes and existing implementation plan for full compliance, the MIB:

- confirmed the low overall impact on the rest of the T2S Community;
- took note of the Slovakian market's (NCDCP) plan for full compliance with the T2S standard on matching fields.

T2S Corporate Actions Standards

Given the low severity of non-compliance, low volumes and existing implementation plan for full compliance, the MIB:

- confirmed the low overall impact on the rest of the T2S Community;
- took note of the Slovakian market's (NCDCP) plan for full compliance with the remaining T2S CA Standards.