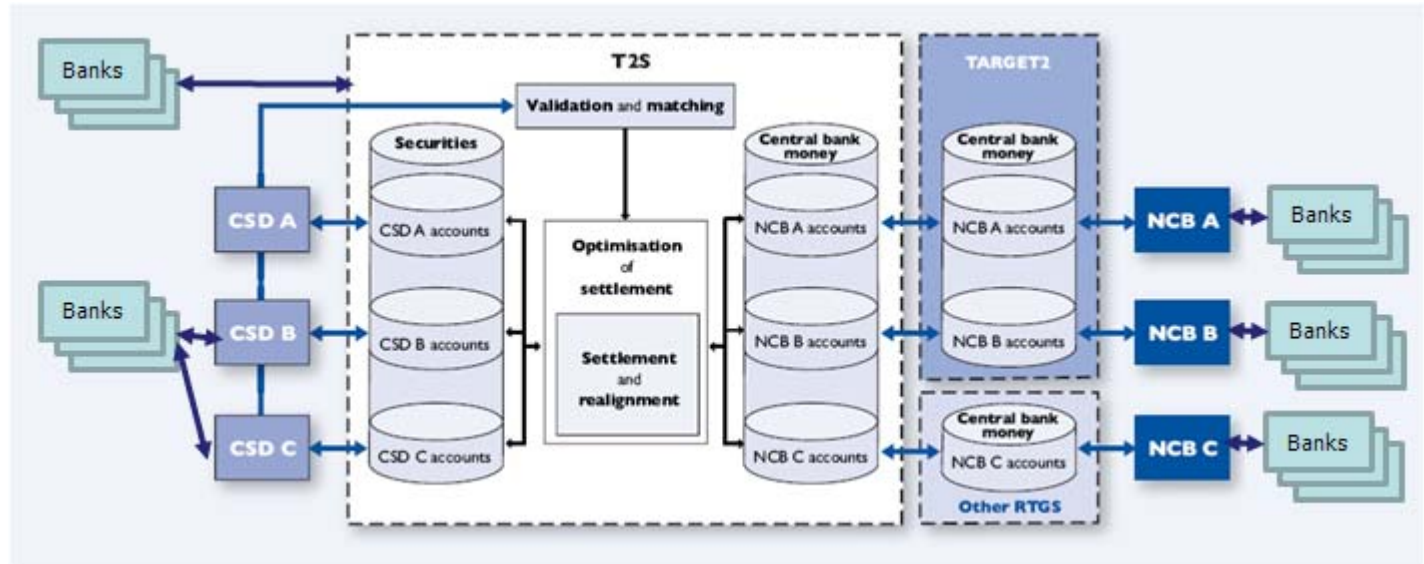




SIA EXPO 2011 **Waiting for T2S**

Gian Bruno Mazzi
Managing Director, SIA

T2S model: an integrated model with cash settlement in Central Bank money



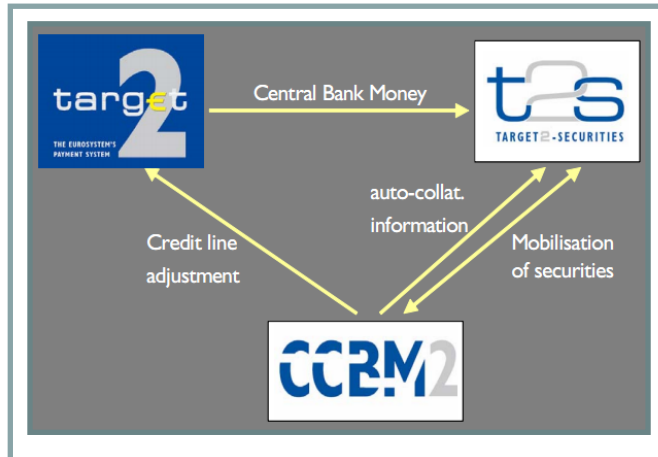
The integrated model is a recognised best practice combining cash and securities settlement on a single platform

- **T2S is a service to CSDs, not a CSD** (investors and their agents will not maintain T2S accounts)
- Contractual relationship will be organised between T2S and the CSDs only
- T2S will offer **transaction settlement in €** and in other European currencies
- **T2S parties direct/indirect connectivity**

Eurosystem Roadmap: *from T2 to T2S*



Eurosystem “magic triangle”

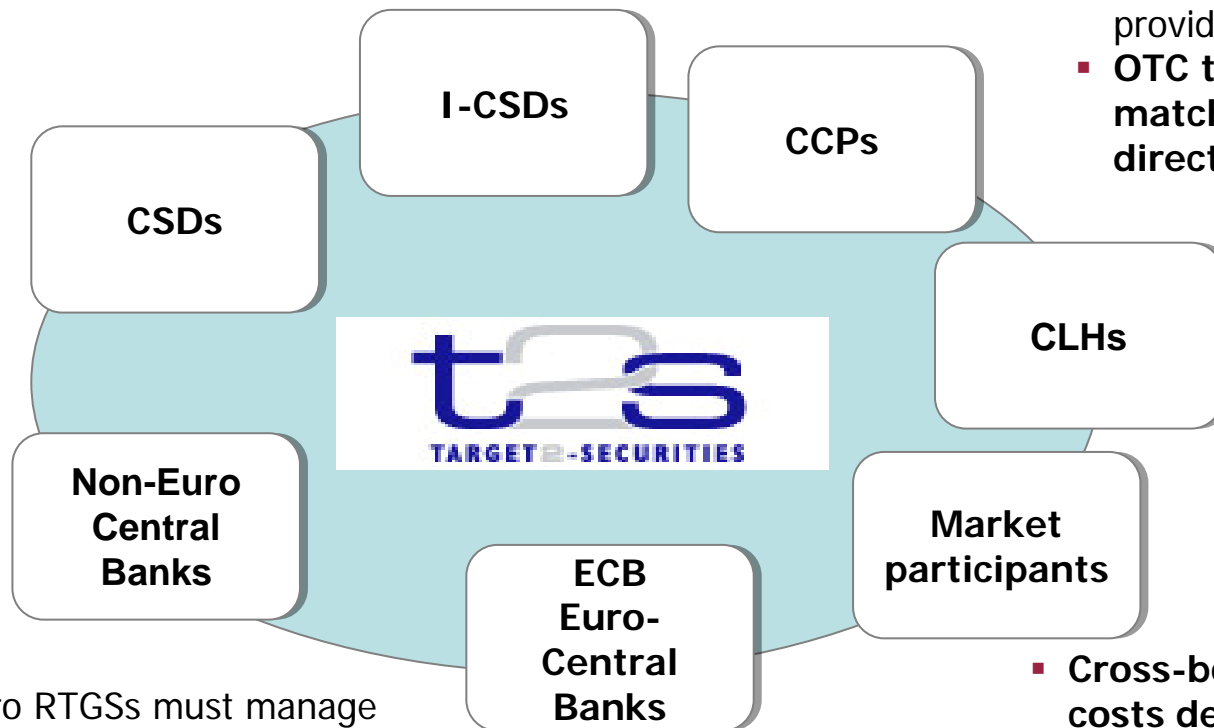


T2S Community



- **T2S Community:** 30 CSDs have committed to join T2S

- **Core settlement functions** partially or totally transferred to T2S
- Access to **multi-currency settlement**
- **Single access point for issuers and participants**



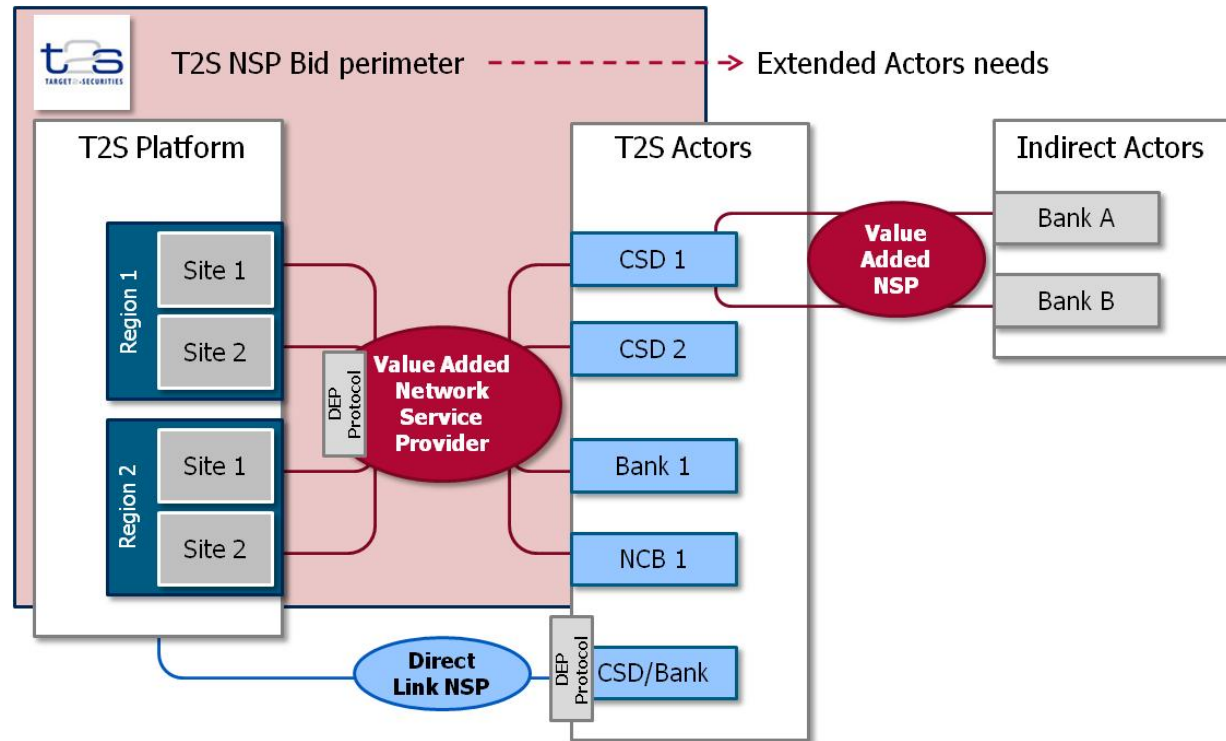
- Market participants will choose among several CCPs provided by trading venues
- **OTC trade** could be **matched** and **settled directly by T2S**

- Non-Euro RTGSs must manage integration with T2S in case national CSD moves settlement to T2S

- **Cross-border settlement costs decrease**
- **Direct access** to T2S for OTC trading, including systematic internalisation

T2S main ICT challenges

“National differences in the information technology used by clearing and settlement providers shall be eliminated via an EU-wide protocol.” (Giovannini barrier one)

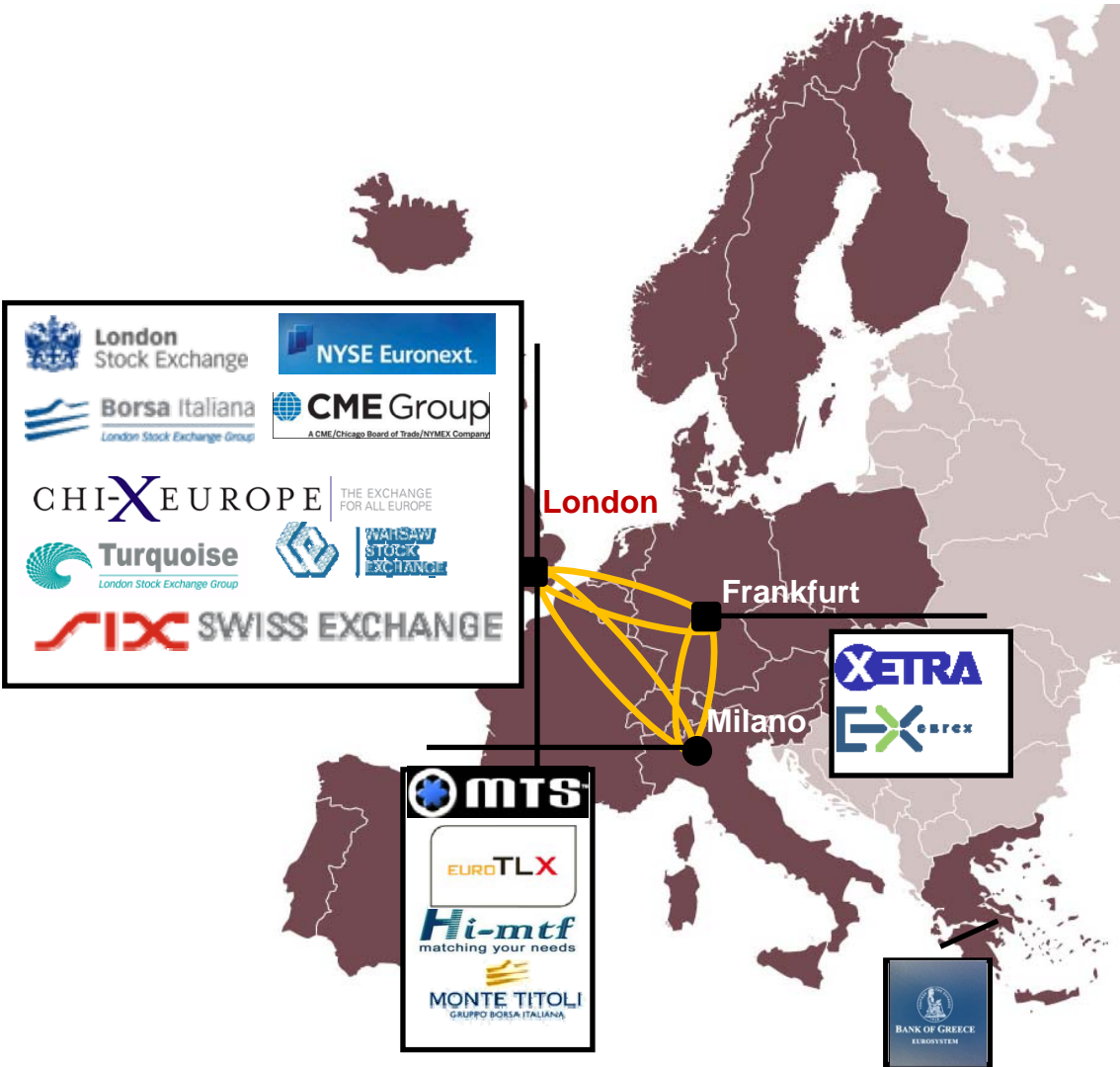


- T2S implies the adoption of a unique messaging network model for the whole European financial community



SIA is supporting the development of new Market Infrastructures in connectivity services along the Capital Market value chain

SIA net covers all the connectivity needs along the **Capital Market value chain**





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