

## CLOSING REMARKS

Jean-Michel Godeffroy, Chairman of the T2S Programme Board

Event marking the first signatures to the T2S Framework Agreement

Frankfurt am Main, 8 May 2012

It is a great honour to witness today the formation of the nucleus of the T2S Community. The signing of the Framework Agreement is an event of utmost importance for the project. As the President said earlier: From now on, the Eurosystem and the CSDs will be even more closely united in this mutual enterprise.

The Framework Agreement is unique in many respects. We had to handle a very rare case of outsourcing from the private to the public sector, and it was not always easy to find compromises that were acceptable to all. I believe we have now reached a good compromise, even if it is almost 700 pages long!

T2S is a revolutionary idea and its raison d'être is to further strengthen the euro and the single European market. By processing cross-border transactions at the price of domestic ones, T2S will not only eliminate symbolic barriers within Europe, but will also create real savings for issuers and investors on our continent. This is why the project has the support of the European authorities and of the market.

T2S will also help to reduce risk in the European post-trade environment; it will enable liquidity and collateral savings; it will act as a key driver for the harmonisation of market practices across the post-trade industry.

With the nine CSDs who joined today, T2S already accounts for around two-thirds of securities settlements in the euro area. Other CSDs, such as Euroclear, have already expressed their support for the project and we can reasonably hope that all euro area CSDs will have signed within two months from now. A large number of CSDs outside the euro area are also expected to sign. Even if at the beginning, T2S may process only the euro, we already know that the Danish crown will join in 2018 and it may be followed, or even preceded, by other currencies.

I am happy to say that the project is on track, thanks to the skills and the dedication of the teams involved at Banca d'Italia, Banco de España, Banque de France, Deutsche Bundesbank and here at the ECB. More than 65% of the software is already developed and I am convinced that the system will open for production on schedule, in June 2015.

T2S shows that Europe can be innovative. But there is still much to do: in particular, we need to convince more CSDs and more currencies to join, so that we can achieve higher economies of scale and therefore further reduce our fees.

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In conclusion, today has been an important day for the project, and I wish to thank you all very warmly for sharing this achievement with us. This event concludes two years of negotiations and so deserves some celebration. So please join us for drinks in the lobby!