

Status update on the activities of the T2S CSDR TF

*Ami-Seco meeting
Frankfurt, 7th of December*

DG Market Infrastructure & Payments
European Central Bank

Status on regulatory approval of CSDR related text

- Status quo on RTS on Settlement Discipline which are still under discussion / clarification at European Commission level
- It is uncertain when approval of the RTS on Settlement Discipline can be expected and this is a source of uncertainty for T2S release planning
 - All CRs raised by the CSDR TF relate to the compliance deadline for Settlement Discipline RTS (entry into force 24 months after publication)
 - The final design of the T2S penalty mechanism depends on the certainty in the interpretation of the regulatory text
 - For many of the assumptions taken and raised for clarification to ESMA/PTSC, no feedback is yet available

The CSDR TF work will put its work on hold and resume when Regulators provide more clarity on the timeline of Settlement Discipline texts

Status of the activities of the CSDR TFs

First set of CRs raised by the CSDR TF (CR600, CR606, CR607, CR609)

- CRs have been raised to comply with the RTS on record keeping requirements but regulatory compliance is only expected with the settlement discipline deadline
- An exercise is currently ongoing in the CSDR TF to analyse if the scope of the CRs can be simplified in order to reduce their costs, in particular for CR609 (reporting of new “Failing” or “PENF” status)
- It is also under discussion with the relevant fora in which Release to implement those CRs

Progress of the CSDR TF on T2S penalty mechanism (CR654)

- The CSDR TF has reached internal consensus on functionalities of CR654, including the monthly collection and re-distribution process of penalties, combining detailed reporting at counterparty level but minimising the number of cash payments
- ECSDA will take the ownership of the work on the rulebook which gathers the rules and principles which are out of scope of the T2S penalty mechanism but are required to ensure a joint application of the penalties regime in the EU

Thank you for your attention

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