

Impact analysis report

Non-compliance with core T2S settlement harmonisation standards - 2024

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1. Introduction

This report provides an assessment of the impact resulting from the fact that so far compliance with agreed TARGET2-Securities (T2S) harmonisation standards has not been achieved for all standards and/or in all T2S markets. The impact assessment thus complements the 15th report on securities settlement and collateral management harmonisation progress in T2S markets.¹ The report is provided by the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) and focuses 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 a T2S National Stakeholder Group (NSG) reported to the AMI-SeCo that their respective T2S market has not fully complied with one or several of the core T2S harmonisation standards up until mid-November 2024. Since the publication of the previous report in January 2024, the countries for which at least one compliance gaps remain the same. Overall, small improvements are noticed in terms of progress from the markets in initiating discussions and advancing in their plans to reach full compliance (more details in Section 3 - Summary of results).

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. Section 4 provides a detailed description of the non-compliance cases, the respective impact and plans including estimated timelines for achieving compliance for each non-compliant T2S market. Section 5 concludes the report with the AMI-SeCo's proposals to the Market Infrastructure Board (MIB) for further action.

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 of not achieving full compliance 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.

Cases in which the information disposable to AMI-SeCo at the time of the assessment is insufficient for AMI-SeCo to properly assess and/or conclude on the compliance gap and its impact are marked as “under review”.

3. Summary of results

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

T2S markets	Non-compliance with core T2S harmonisation standard							
	#2 on Matching Fields		#5 on Schedule for Settlement Day and T2S Calendar		#6 on Corporate Actions		#14 on Restriction of Omnibus Accounts	
	2023	2024	2023	2024	2023	2024	2023	2024
AT					Medium	Medium		
BE – Euroclear Belgium					Low	Low		
BE – Euroclear Bank			Under review	*	High	High		
CH					Low	Low		
BG – BNBGSSS					Medium	Medium		
BG – CD AD					Low	Low		
DE					High	High		
ES	Low	Low						
FI			Under review	*	High	High	Medium	High
FR							Medium	Medium
HR					Low	Low		
HU			Medium	Medium	Medium	Medium		
LU					Low	Low		

The number of T2S markets assessed in the 15th Harmonisation Progress report remained at 26 (served by 24 T2S CSDs). The developments since the January 2024 report on compliance with T2S harmonisation standards has been comparatively small and include:

- For Euroclear Bank Belgium the compliance on T2S standards is planned to be linked to Central Bank Money programme where the next phase is planned on Q1 2026. Whereas Euroclear is committed to ensure compliance with T2S standards on corporate actions as of the launch of the Intra-CSD phase, since implementation is more than 12 months after publication of the report, the level of “Risk of not achieving full compliance” remains set at “Medium”.
- In the Croatian market the implementation of Standard 6 progressed at a pace slower than what SKDD had expected in the previous monitoring round, and compliance gaps remain even as of its migration to T2S. As a result, SKDD moved the date to reach full compliance with T2S Standard 6 for Market Claims and Transformations to 2nd January 2025.
- In the Finish market full compliance with T2S Corporate Action Standards for Market Claims still requires further work and significant delay is possible before full implementation can be achieved. Currently, the ultimate deadline for full compliance with the market claims standards is foreseen for December 2029, but with a stepwise implementation to cover the remaining gaps.
- Furthermore, it is noted that the AML-SeCo agreed to change the text of T2S Standard 5 and in parallel agreed on a new core T2S harmonisation Standard (Standard #25) regarding DCP access (for more details see the main text of the 15th T2S Harmonisation Progress Report). The clarification resulting from the change of T2S Standard 5 resulted in removing the ‘Under review’ status of Euroclear Bank and Euroclear Finland which are assessed as compliant with the updated standard. Although these CSDs are assessed as non-compliant against the new Standard 25, the impact of that non-compliance is not assessed in this report due to the recent changes in the standards. The impact of those non-compliance cases (in case they remain) are expected to be assessed in the 2026 version of this impact assessment report.

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
Severity (qualitative)	MEDIUM
Expected volume/frequency (quantitative)	LOW
Risk of not achieving full compliance	HIGH

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 transaction².

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 2023 to 15 August 2024 is estimated to be below 1000 settlement instructions per year:

- Standards 6 and 7 (instructions with cum/ex/opt-out indicator): 25
- Standard 23 (claims flagged with automatic party hold at account level): 146

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.

The Austrian MIG, Corporate Actions National Implementation Group (CANIG), discussed the issue again at the end of 2020. The involved market participants concluded that they do not want to alter the status quo for the time being as the risk of an improper use of the cum/ex indicators, which could lead to

² 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.

unforeseen tax fraud cases, is too high. Until a final plan has been determined by the Austrian market 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.

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

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	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 Belgian market (EoC) reported being fully compliant with all T2S CA Standards as a result of the migration of Euroclear Belgium to its new CA processing platform in March 2021.

Although Euroclear Belgium is technically capable to process capital increase events in a fully compliant way, the Belgian market is not processing them in accordance with the standard. It was therefore agreed to downgrade the compliance status of Buyer Protection Standard 9 (on buyer protection deadlines) and the CAJWG CA Standards 12,13 and 14 related to the key dates for mandatory reorganisations with options.

Capital increase events are only occurring once or twice a year. There were only two capital increases events in 2023 (one capital increase event in 2022). Even though such capital events are rare, an awareness campaign was launched in January 2021 via the Belgian Market Implementation Group (BE-MIG) to inform front offices and issuers about the applicable standards and to encourage them to adjust. Nevertheless, Belgian issuer agents explained that for commercial reasons they will not adjust their market practice. Following failed attempts to change the way of working, there is currently no specific action plan to address this issue. The Belgian market is well aware of its non-compliance. The option is there to bring it again to FMIC in Belgian Market.

Given the low severity and volumes affected, the AMI-SeCo assesses the overall impact as low.

4.2.2 Euroclear Bank (EB)

Euroclear Bank (EB) joined T2S platform on 11 September 2023 (without any settlement activity for the time being). While they are already compliant with most of the T2S standards it is important to ensure that the few remaining standards will be properly implemented at the time EB effectively starts their activities in CeBM. Consequently, although no risk already materialised in the absence so far of activities in CeBM, this section follows up on the progress towards implementation of the remaining standards.

EB adopted a phased migration approach to T2S, gradually making available a wider array of services in relation to its T2S service. In the first phase, EB becomes a T2S CSD with the technical connectivity and acting as a Securities Maintaining Entity (SME) for the securities where they act as issuer (as well as co-issuer) CSD – this is successfully completed. In the ECMS phase, Euroclear Bank will offer settlement services in T2S to the Eurosystem NCBs via the Eurosystem Collateral Management System (ECMS), allowing the NCBs to receive and service collateral on the T2S platform for monetary policy operations. As of this phase, settlement of ESCB-eligible securities for monetary policy operations, for which Euroclear Bank either acts as issuer (as well as co-issuer) CSD or has an eligible link to the issuer CSD, will be made available to NCBs in T2S. In the “Intra-CSD” phase, Euroclear Bank will offer to its participants central bank money settlement services in T2S with counterparties in Euroclear Bank. Finally, in the “Cross-CSD” phase, Euroclear Bank will start offering to its participants cross-CSD settlement in T2S via the gradual set-up of T2S cross-CSD links.

4.2.3 Schedule for the settlement day

Euroclear Bank (BE) market impact (migration wave 1: 11 September 2023)

BE – Euroclear Bank non-compliance: Schedule for the settlement day	
Overall impact	UNDER REVIEW
Severity (qualitative)	UNDER REVIEW
Expected volume/frequency (quantitative)	UNDER REVIEW
Risk of not achieving full compliance	UNDER REVIEW

The T2S Standard 5 on T2S Schedule of settlement day specifies that the T2S market/CSD's operational model should ensure four criteria in order to fully comply with the standard³. Euroclear Bank complies with 3 of these criteria but does not currently envisage to offer DCP access to its clients (criterion 4, except for NCB clients as of their ECMS phase). For the later phases, EB does not exclude that it will offer DCP access more widely based on client demand. Nevertheless, different interpretations arose on the exact meaning of point 4 of Standard 5 and the AMI-SeCo will discuss this in more detail to ensure that the standard is applied and interpreted uniformly across all T2S markets and in line with the consensus by the full community.

4.2.4 T2S Corporate Action Standards

BE – Euroclear Bank Market impact – T2S corporate action standards

BE – Euroclear Bank non-compliance: T2S corporate action standards	
Overall impact	LOW
Severity (qualitative)	HIGH
Expected volume/frequency (quantitative)	LOW
Risk of not achieving full compliance	MEDIUM

As Euroclear Bank migrates to the T2S platform it will deploy a new corporate action service for its positions held on T2S platform. In case of a corporate event, all positions held on T2S platform will be subject to the new service offering, while positions held on the Euroclear Bank settlement platform will be subject to the same asset service as today, i.e., the Euroclear Bank Global Asset Servicing.

Compliance with the T2S Standard 6 on Corporate Actions will only become relevant in the subsequent phases of EB migration plan – when EB will have a wider scope of financial instruments. Proper analysis and potential adaptations might be needed to reach compliance at that time. The compliance on T2S standards will be linked to Central Bank Money programme where the next phase is planned on Q1 2026. Whereas Euroclear is committed to ensure compliance with T2S standards on corporate actions as of the launch of the Intra-CSD phase, since implementation is more than 12 months after publication of the report, the level of “Risk of not achieving full compliance” is mechanically set at “Medium” in accordance with the methodology.

According to the volumes data provided by the BE NSG, for the period from 16 August 2023 to 15 August 2024, the number of settlement instructions (in CoBM) processed by Euroclear Bank amounted to 227M.

Over the same period, the total amount of corporate actions processed by Euroclear Bank amounted to 3.2M. Among these corporate actions, 30K are linked to market claims and 0 to buyer protection.

In particular, it is highlighted that, market claims and transformations are not executed at all for cross-CSD transactions taking place between Euroclear Bank and Clearstream Banking Luxembourg outside

³ [Description of AMI-SeCo core T2S settlement and wider post-trade harmonisation activities.](#)

T2S via the so-called 'Bridge'. Between 16 August 2023 and 15 August 2024, the amount of settlement instructions processed via the 'Bridge' was not provided by Euroclear.

These figures should be considered with care as the proportion of transactions, and consequently, corporate actions, that will be settled in CeBM in the future is unknown at this stage.

4.3 Bulgaria

BNBGSSS and CD AD successfully joined the T2S platform on 11 September 2023 and are thus assessed against the T2S harmonisations standards for the first time. For both CSDs, the only compliance gaps left with core T2S activities relate to standard 6 on corporate actions.

4.3.1 BNBGSSS

BNBGSSS (BG) market impact (migration wave 11 September 2023)

BG – BNBGSSS non-compliance: T2S corporate action 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>

Implementation of Standards for processing CA is in progress.

- BNBGSSS's activities with regard to market claims are related to interest payment only.
- BNBGSSS's activities with regard to transformations are related to redemption only.

Changes in the market practices have been discussed with BNBGSSS participants. In this regard, regulatory amendments are currently being prepared. The BNBGSSS intends to conduct internal testing in the first half of next year. The BNBGSSS plans to synchronize the participant test with the testing of SCoRE CA Standard 15 ISO 20022 messages for corporate actions and the remaining Standards for CA processing. The BNBGSSS intends to apply all standards that are in its scope set out in the Compliance Monitoring Exercise in Q1 2026.

Buyer protection standards are not applicable ('N/A') as they are outside the scope of BNBGSSS's activities.

4.3.2 CDAD

CD AD (BG) market impact (migration wave 11 September 2023)

BG – CD AD non-compliance: T2S corporate action standards	
Overall impact	LOW
<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>LOW</i>

CD AD is fully compliant with T2S CA standards on Transformations. Full compliance remains to be achieved for Market Claims and Buyer Protection standards. The following compliance gaps remain:

- Market Claims Standard 14: The current market practice mirrors the national legislation and defines different withholding rates to be applied to Distributions, depending on the type of investor (natural person or legal entity, incl. EU members or third countries). For pending transactions, the Issuer transfers to CD AD the amount due (after taxation) at the EOB on the RD as per the List of Shareholders. Thus, the amount subject to Distribution may differ from the MC one. The corresponding legal amendments are anticipated in the second quarter of 2025.
- Buyer Protection Standard 8: Ongoing process for development the ISO 20022 BP instructions. Full implementation is planned for Q4 2024.

4.4 Switzerland

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

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

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. A change of practice to reach compliance with the Transformation Standard 2 is considered to be a major technical change in the SIX Settlement System (SECOM) which the Swiss NSG assesses as disproportional in terms of cost versus current number of affected transactions.

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. The current integration of the Bolsas y Mercados Españoles (BME) into the SIX Group does not change the current situation of having two different jurisdictions with two different home market legacy systems. No synergies can be applied in terms of the non-compliance case and the disproportional financial impact on SIX SIS remains unchanged.

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

4.5 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>

Since the launch of T2S the German market has made a very significant progress in eliminating the major gaps in compliance with the T2S corporate actions standards. The following compliance gaps remain:

- Market Claims Standard 8, 19, 20, 21, 22, 25: Market claims are detected on the basis of pending, matched trades on record date; Market and Reverse Claims are generated at CBF on the basis of settled transactions. Claims on open instructions caused several problems (late trades, Rec-Date) when this processing was standard in the German market. CEJWG and T2S CA Standards apply on ‘irrevocable transactions’ which would not be fulfilled by ‘matched transactions’ solely as stated in the definition/example of irrevocability. There the underlying OTC transaction could be set ‘on hold’ (without settlement) or bilaterally cancelled in T2S while the Market Claim settles. Based on this fact the German tax-related law does not treat a matched underlying transaction as irrevocable. The German market would like to highlight the principle discussion regarding the status of irrevocability. Market participants request support to cancel Market Claims when the underlying transaction matched but did not settle on Payment Date (or ISD) as was the case in T2S for a handful of transactions in non-German securities. A basic open question remains regarding the transfer of ownership and tax liability. The ‘Zuflussprinzip’ from tax point of view is not in time with the processing of Market Claims when

the underlying transaction is only matched. Non-compliance with these standards has a low impact on the T2S Community from a qualitative perspective.

- Market Claims Standard 7: There are some conflicts by implementing the 'CUM' flag with the German laws e.g., in respect of 'manufactured dividends' when non-entitled transactions can be flagged as 'entitled' and tax vouchers will be created accordingly. From a qualitative perspective, non-compliance with this standard has a low impact on the T2S Community.

According to the volumes data provided by the German NSG, for the period from 16 August 2023 to 15 August 2024, the number of settlement instructions in which the cum flag was used (related to the non-compliance with Market Claims Standard 7) amounted to 98 (among them 95 related to DE ISINs and 3 related to other European ISINs). In the same period, Clearstream generated a total of 38.565 market claims on German-issued securities. Considering the non-compliance with Market Claims Standard 25, a probable volume of over 10 000 transactions is in principle in line with the methodology assessed as having a high quantitative impact to the rest of the T2S community.

From an overall viewpoint, the German NSG appreciates very much the constant high level degree of compliance achieved so far. However, related to the well-known persisting implementation gaps in relation to the cum flag / the generation of market claims on the basis of settled transactions the German NSG thinks it needs to be considered that the German market has only limited influence to change the respective legal and regulatory framework being currently assessed as one of the major stumbling blocks in this regard.

Before the introduction of CSDR SDR these remaining issues did not really pose major obstacles for the community. Notwithstanding this, the DE market tried repeatedly to discuss at expert level the content of some baseline standards in order to potentially introduce certain modifications being in line with applicable German tax related law.

After the introduction of the CSDR SDR in 2022 market claims came more and more to the attention of the community in particular as they are currently in scope of the penalty regime but financial market players heavily argued to exempt market claims in the CSDR Refit context.

In early December 2023, focused discussion within the German NSG led the majority of its members to agree on a "high" assessment on the severity of the impact in order highlight the need for further action beyond its sphere of influence. Based on the above the AMI-SeCo assesses the overall impact of this non-compliance case as high.

4.6 Spain

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

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

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 in case

the custody chain is longer than the usual CSD-custodian-end-investor. Therefore, this can result in special cases a non-compliant use of this optional 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 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 low.

The potential volumes involved are difficult to estimate. Based on the above those intra-CSD volumes on equities are affected where the client of the CSD participant is not the end-investor. According to the ECB Statistical Data Warehouse, Iberclear had 4.3 million intra-CSD equity transactions in 2023.

The Spanish AMI-SeCo is of the view that the current market practice in the Spanish market goes beyond the matching standards, as it encourages to inform about the client of the CSD participant, although this is an optional matching field, and it does not have a negative impact. Several discussions have taken place in different fora, especially in the Spanish AMI-SeCo where it has been assessed that the current Spanish practice does not affect the settlement efficiency and improves the matching quality, avoiding the x-matching.

General agreement in Spanish AMI-SeCo has been reached to consider that current practice is not an issue, and no adaptation planning is required. We are at your disposal if further information is required. T2S HSG decided to focus on the actual impact of non-strict (literally) compliance of the Spanish market. Regarding the "Party 2", an optional matching field, it was discussed in the May 2021 HSG meeting and unfortunately there was not possible to reach a consensus, therefore the status remains in Red plus a foot note highlighting the low impact.

Due to the changes in the securities market act, which includes in the scope the discontinuation of the requirements referring to the post-trade information system, the Spanish community has been analysing within this context, the so called "Party 2 topic", among others. Iberclear and its community have reached an agreement, and the Manual of Procedures of Iberclear will be fully aligned with the URDs documentation with regards the matching fields. The entry into force of the required changes was foreseen by the end of 2024 when the changes required will be in place (important to highlight that the final official legal documentation is, at this moment, in the process of its publication) but due to the rescheduling because the delay in the implementation of ECMS, it has been necessary to replan the implementation date to Q2 of 2025.

4.7 Finland

On 11 September 2023, Euroclear Finland (EFi) successfully migrated to T2S. The Euroclear Finland settlement model, as direct holding market, has not given rise to any blocking issues to migrate to T2S with its full set of securities accounts. However, the substantial increase of securities accounts may require an update of Service Level Agreement provisions and possibly create some constraints on the operating model for Euroclear Finland. The potential impact and technical adjustments needed to ensure a smooth migration is being analysed by Euroclear Finland, the ECB and the 4CB as operators of T2S. As part of this analysis, detailed user testing, migration testing, and volume testing will be conducted at different stages.

The subsections below describe the current status for each of the T2S Standards where progress has been made and / or where some work still remains.

4.7.1 T2S Schedule of settlement day

Finnish Market impact (migration wave 11 September 2023)

FI non-compliance: T2S standard on schedule for the settlement day	
Overall impact	UNDER REVIEW
Severity (qualitative)	UNDER REVIEW

<i>Expected volume/frequency (quantitative)</i>	<i>UNDER REVIEW</i>
<i>Risk of not achieving full compliance</i>	<i>UNDER REVIEW</i>

Euroclear Finland will comply with all the standards including T2S standard 5. There is an exception for the NCBs which will be DCP for their ECMS activity. Euroclear Finland is analysing the possibilities to meet the new T2S standard 25. T2S schedule of settlement day is fully operational since 11 September 2023.

4.7.2 T2S Corporate Action Standards

Finnish Market impact (migration wave 11 September 2023)

FI non-compliance: T2S corporate action 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>

EFi's non-compliance with the T2S Corporate Actions standards did not constitute an obstacle to its migration to T2S, however EFi needs to ensure full compliance with these Standards (covering standards for Transformations, Buyer Protection and Market Claims).

EFi achieved full compliance with Transformation Standards and Buyer Protection standards since 11 September 2023.

EFi only partly complies with the standards for Market Claims; a mechanism for market claims is implemented in the CSD system and market claims are detected for security distributions and for other cash distributions, however not for dividend payments. The reason for this exception is that dividends are currently paid in euro commercial bank money outside the CSD system, which hence excludes them from market claim detection. Dividend payment is the most common cash distribution event in Finland and would cause the majority of market claim transactions, especially since the number of market claims in other events is minor. Dividend payments and market claims for dividends will be implemented in the CSD System in euro central bank money once the market has reached a consensus on the characteristics of the dividend payment model and its implementation timeline. A market dialogue with participants and equity issuers is ongoing.

Full compliance with T2S Corporate Action Standards for Market Claims still requires further work and significant delay is possible before full implementation can be achieved. Currently, the ultimate deadline for full compliance with the market claims standards is foreseen for December 2029, but with a stepwise implementation to cover the remaining gaps). EFi plans to develop a precise roadmap after the successful migration to T2S and ECMS, taking into account views obtained from the continuous market dialogue.

4.7.3 Restrictions on omnibus accounts

Finnish Market impact (migration wave 11 September 2023)

FI non-compliance: Restrictions on omnibus accounts	
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>

According to applicable EU legislation, namely CSDR article 38, and Finnish national level legislation, participants in the Finnish CSD are required to offer both segregated and nominee accounts for their clients. Finnish investors are obliged to maintain their Finnish securities' holdings in a segregated account.⁴ In compliance with the legal requirements, participants need to be able to operate both account types, in addition to being obliged to comply with other relevant rules in the finance sector, including but not limited to tax laws, companies' legislation, settlement finality and proprietary laws. The participation requirement is same and equal to all participants regardless of their nationality. Full compliance requires legislative and regulatory changes. Nevertheless, from the perspective of the objectives and spirit of the respective T2S standard 14 (restrictions on omnibus accounts), for foreign custodians serving non-Finnish customers' holding of securities issued in Euroclear Finland and for foreign investor CSDs having a link to Euroclear Finland the issue is alleviated by the fact that in these cases the use of omnibus accounts (and nominee registration) is allowed. All securities accounts (incl. the owner accounts) are T2S eligible and thus, the requirements set forth in the Finnish legislation do not impact the Finnish market's production usage of T2S at operational level.

The CSDs and CSD participants are required to offer both segregated and nominee accounts for their clients. Therefore, in terms of IT readiness, the level of adaptation needed by the participants (incl. the investor CSDs) to manage the segregated securities account for Finnish investors to maintain their Finnish securities' holdings could be relatively limited. Nevertheless, the impact on a foreign participant and in particular an investor CSD wishing to leverage T2S to access Finnish securities is medium.

The requirement for a potential foreign investor CSD to offer and manage segregated accounts can affect all transactions this investor CSD would have. Based on this, the expected volume/frequency (quantitative) is high.

Full compliance requires legislative and regulatory changes. A law change is not foreseen in near future and therefore the risk of not achieving full compliance is high.

Given the medium severity, high volume, and no plan for implementation in the near future the AMI-SeCo assesses the overall impact as high.

4.8 France

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>MEDIUM</i>

There is a legal requirement in France to segregate holdings in dedicated accounts based on the legal holding form of the security (i.e., in bearer or in registered form).⁵ 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 holdings. 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 positions mapped to the two omnibus accounts in Euroclear France. This mandatory replication presents high impact challenges to the T2S community, hampering the T2S key objective of facilitating efficient harmonised cross-border settlement.

⁴ For more details see Finnish Act on the book-entry system and settlement operations (348/2017) and Finnish Act on Book-Entry Accounts (827/1991).

⁵ The two forms of the security are represented by a single ISIN.

Root-causes:

Euroclear France and the French market have analysed in detail this non-compliance case and the possible options to remediate it. In a letter addressed in September 2021 to the MIB Chairman by the French NSG Chairman, on behalf of the French NSG, the French market reiterated its commitment to resolve this situation in order to reach full compliance with T2S harmonisation standards.

However, the current non-compliance situation results from barriers that the French market actors are unable to remove by their sole action. Aligning French market practices on omnibus accounts with those of the other national markets would require an overhaul of the French securities law, with possible impacts on several legal texts (all those dealing with securities' ownership, which in France can take different forms for the same ISIN as explained). These legal adjustments would in turn require major adaptations for the entire French post-trade ecosystem (the issuing landscape as well as the internal processes and account structures along the holding and custody chain). It is the view of the French market that these impacts and costs should be taken into account when considering possible remedial actions, as well as the low number of transactions involved. Finally, and most importantly, the decision to envisage a legal overhaul to align the French market practices with those of the other national markets participating in T2S should take into account the ongoing efforts, at European level, to harmonise the treatment of registered securities. The European Commission has recently identified such harmonisation efforts as a priority.

The French market is committed to solve this non-compliance case:

In line with such priority, the French market decided to set up a dedicated task force in September 2021 to assess potential "quick win" solution. The task force delivered to the France Post Marché (FPM formerly named AFTI) a report describing different scenarios and solutions in regard to solving this non-compliance case. However, the task force also came to the conclusion that there were no "quick-win" solutions but only high impacts ones. Furthermore, the Task Force made a report to the France Post Marché Board that describes these different technical solutions. The report was presented together with a recommendation to continue the work and analyses on this topic in a permanent France Post Marché working group called GEN ("Groupe Expert Nominatif", meaning Expert Group on Registered Securities), which was set up in autumn 2022. In 2022, two possible solutions were identified and discussed within the group. While both have drawbacks in terms of implementation costs and delays, one of them would require adaptations for both T2S and for investor CSDs. GEN has been continuing its work throughout 2023 and 2024 but - as of October 2024 - does not yet have a planning.

Impacted volumes:

Volumetric measurements showed that there were around 807 affected cross-border transactions on French securities held in registered form between August 16, 2023, and August 15, 2024. The opening of additional accounts for the servicing of French registered securities was, in many cases, imposed on Investor CSDs and their participants 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. This would translate into the need for these Investor CSDs to open 500 additional securities accounts for their clients in T2S. The impact of this non-compliance case is thus very limited in comparison of the total volumes of cross-border transactions.⁶

Overall assessment:

Given the above, while taking note of the French market commitment to resolve this situation in the best delays, and the low volumes of impacted transactions, 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.

4.9 Croatia

Croatian market impact (migration wave 11 September 2023)

⁶ In the period between July, 2021 and June, 2022 98,701 cross-CSD transactions were settled in T2S (T2S Operations Report - June 2022)

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

The Croatian market joined the Eurozone and adopted the euro on 1 January 2023. In the context of this changeover, the Croatian CSD SKDD joined T2S on 11 September 2023.

While some work remains before full implementation can be reached, SKDD is largely on track to implement the T2S Standards. The subsections below describe the current status for each of the T2S Standards where progress has been made and / or where some work still remains. For several T2S Standards, SKDD aligned its implementation schedule with the date of its migration to T2S (11 September 2023) and the date of the ECMS go-live (currently planned for 16 June 2025).

4.9.1 T2S messages

In the context of its migration to T2S on 11 September 2023, SKDD implemented the major technical changes in their system to allow them to communicate directly with T2S using ISO 20022 messages; SKDD reached full compliance with T2S Standard 1, 2, 3 and 4 as of this date.

4.9.2 Schedule for the settlement day

In the context of its migration to T2S on 11 September 2023, SKDD implemented the major technical changes in their system to adapt to the T2S schedule as well as the T2S calendar; SKDD reached full compliance with T2S Standard 5 as of this date.

4.9.3 T2S Corporate Actions

Implementation of Standards for processing CA, as a necessary pre-condition for implementation of T2S Standard 6 (comprising of the CASG CA standards for market claims, buyer protection and transformations), is in progress. During the monitoring round, SKDD has developed an application which will implement the T2S Standard 6.

In June 2019 SKDD d.d., Zagreb (CSD) started the project Alignment of Croatian Central Depository and Clearing Company with the Standards for Corporate Action Processing. Part of this project includes analysis of legal, regulatory, and technical specifications to align the Croatian market practices with harmonisation standards. SKDD is continuously working on alignment of Croatia's securities settlement IT infrastructure with the Corporate Actions Standards that includes system analysis and design software solution and technology specification.

According to its initial planning, SKDD aimed at reaching full compliance with T2S Standard 6 when joining T2S, with a testing phase starting in Q2-2023 and lasting until implementation on 11 September 2023. However, the implementation of Standard 6 progressed at a pace slower than what SKDD had expected, and compliance gaps remain even as of its migration to T2S. As a result, SKDD moved the date to reach full compliance with T2S Standard 6 for Market Claims and Transformations to 2nd January 2025. The reason behind the partial postponement of Standard 6 lays in the fact that SKDD is facing technical and operational challenges with the volume of Euro adoption related projects. Further, since Corporate Actions are more connected to ECMS it was decided to split the work into two phases where part of the standards was completed with the Go live of T2S and the other part is foreseen to be completed with the Go Live of ECMS Project. This approach has been taken to manage the operational and technical challenges more effectively and to ensure that the work can proceed in a more controlled and manageable manner. However, as ECMS is postponed again it is decided to implement Market Claims and Transformations from beginning of 2025 as technical solution is developed.

With regards to Buyer Protection standards, SKDD, as well as the majority of CSDs, shall use the Manual Buyer protection mechanism and the implementation of an automated buyer protection mechanism is not likely in the coming years. Full compliance with T2S Buyer Protection standards is planned for 16 June 2025.

4.9.4 Availability of Omnibus Accounts

As a T2S CSD, SKDD offers omnibus accounts to their foreign participants (investor CSDs and intermediaries) to ensure interoperability and efficient cross-CSD settlement, in accordance with T2S access criteria. SKDD implemented the required changes upstream and remains fully compliant with T2S Standard 13 as of its migration to T2S.

4.9.5 Restrictions on Omnibus Accounts

As a T2S CSD, SKDD provides appropriate services on omnibus accounts to foreign participants, as prescribed and required by participants. SKDD implemented the required changes upstream and is fully compliant with T2S Standard 14, 15 and 16 as of its migration to T2S.

4.10 Hungary

KELER's system renewal project (KELER Service Development Program, KSDP) went live on 6 December 2021. As a result of the system modernisation, KELER complies with T2S matching standards.

As a part of the project, KELER harmonised its calendar and operating hours with T2S to the maximum extent in light of KELER's current operating model in T2S. KELER is not fully compliant with the harmonised T2S operating hours as it opens the settlement day / daytime settlement period from 07:00 instead of 04:45. However, this does not result in any risks to the T2S community, as KELER neither has DCP participants nor cross-CSD links in T2S.

Due to the SRD requirements, in September 2020 partial compliance with CA Market Standards has been reached in connection with Golden Operational Record for listed equities. For other securities, mutual funds and bonds, technical compliance is planned to be reached by 2024 December, while for non-listed equities is under discussion.

Further Corporate Action related developments are to be performed in two phases. The first phase is planned to be carried out by December 2024 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.

KELER plans to implement the processing of elective corporate actions by end-2025. 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.

4.10.1 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
Severity (qualitative)	LOW
Expected volume/frequency (quantitative)	LOW
Risk of not achieving full compliance	HIGH

KELER adopted the T2S calendar by taking the following measures:

- KELER is compliant with the T2S calendar by using a separate calendar for all T2S transactions
- KELER provides operating hours for T2S transactions on Hungarian bank holidays and national holidays
- KELER harmonised its operating hours within a business day with those of T2S in terms of EUR DVP and FOP transactions, meaning that unified cut-off times will be introduced for settlement

transactions in T2S and KELER in this respect (only the COT of HUF DVP transactions is not harmonized based on market needs)

- KELER submits eligible value-dated transactions into T2S night-time settlement, however, these transactions will be booked in KELER's system only when the next daytime settlement period starts at 4:45 am.

However, based on the above the Hungarian market does not fully comply with the T2S schedule for settlement day and will continue to open the settlement day / daytime settlement period from 07:00 instead of 04:45. Due to the lack of affected transactions, this difference to the standards does not have impact on the T2S community.

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 the T2S standard on matching fields, for which the number of impacted EUR DVP transactions for the period from 16 August 2023 to 15 August 2024 was 1 327. Given that KELER's commitment to fully comply with the schedule of the settlement day standard is not clear at this stage the risk of achieving full compliance is assessed as high.

Full compliance with this standard is planned by end-2025.

Given the medium severity, low volume, and no plan for implementation in the near future the AMI-SeCo assesses the overall impact as medium.

4.10.2 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>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 fully comply 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). To help mitigate this issue the opt-out and ex-cum indicators have been introduced by KELER and the indicators can be used by participants. However, 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), however none of the mentioned actions have been executed since the introduction of the services.
- The opt-out field is populated by the counterparties, and not with a default opt-out indicator.

Full compliance with the T2S CA Standards is planned by end 2025.

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

4.11 Luxembourg

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

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

The Luxembourgish market is not compliant with the Buyer Protection Standards 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 in the CA notifications. Buyer Protection deadlines cannot be complied with if the CSD does not notify Buyer Protection dates. In order to facilitate a bilateral Buyer Protection process between counterparties, LuxCSD has published in October 2019 a final version of Buyer Protection invocation template agreed by CAJWG and T2S CASG as well as all the requirements of the market and T2S Buyer Protection standards, including the agreed timeline.⁷ LuxCSD sends MT564/568 Corporate Action notification messages to buyers in relation to their pending receipt positions and includes the buyer protection deadlines whenever it is communicated by the market.

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 the Luxembourgish market, the qualitative impact of non-compliance is estimated as low. LuxCSD is working on the implementation of these standards. The planned date of the implementation had been initially set at the end of year 2023 but due to the postponement of the ECMS go live this timeline is currently under review with a possible implementation in the course of 2025.

LuxCSD's proposal to calculate such dates as per standards and notify the participants accordingly was presented to the LuxCSD User Committee and approved. This notification will be developed and implemented.

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

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

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 efforts made towards achieving full compliance, 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 taken⁸, *in parallel to endorsing the 15th T2S harmonisation progress report (2025), the AMI-SeCo proposes to the MIB, the below course of action for each respective non-complying T2S market.*

⁷ For more details please refer to the LuxCSD website: <https://www.luxcsd.com/luxcsd-en/products-and-services/assetservices/l19023-1642862>

⁸ 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.

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

The Market Infrastructure Board will monitor, with the help of AMI-SeCo and the ECB team, the implementation plans of all markets covered in the impact analysis report. In this regard, the MIB appreciates the ECB team informing the MIB on the monitoring results and any potential other relevant developments.

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;
- based on feedback received from the Austrian market, took note of the ongoing discussion and analysis in the market. Furthermore, the MIB maintained its position of encouraging 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 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;
- based on feedback received from the Belgian market, took note of the ongoing technical work towards full compliance in the market. Furthermore, the MIB maintained its position of encouraging the Belgian market to develop a plan for full compliance with the remaining T2S CA Standards.

Belgium - Euroclear Bank

T2S Corporate Actions Standards

While recognising that Euroclear Bank has not yet started operations in T2S, given the expected high severity of non-compliance, high volumes, and lack of a short-term and credible implementation plan for full compliance, the MIB:

- confirmed the high overall impact on the rest of the T2S Community;
- invites Euroclear Bank to develop a plan to achieve full compliance immediately or shortly after its start of operations on T2S

Bulgaria – BNBGSSS and CDAD

T2S Corporate Actions Standards

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

- confirmed the medium (BNBGSSS)/low (CDAD) overall impact on the rest of the T2S Community;
- took note of the existing plans to achieve full compliance by the Bulgarian market (both BNBGSSS and CDAD) in 2024

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;
- based on feedback received from the Swiss market, took note of the ongoing discussion and analysis in the market. Furthermore, the MIB maintained its position of encouraging the Swiss market to develop a plan for full compliance with the remaining T2S CA Standards.

Germany

T2S Corporate Actions Standards

Given the high severity of non-compliance, high volumes, and lack of existing implementation plan to achieve full compliance, the MIB:

- confirmed the high overall impact on the rest of the T2S Community
- took note of the German market's efforts, progress and plans for achieving compliance with some of the standards where gaps remain. Based on feedback received from the German market and AMI-SeCo members and in view of ongoing linked initiatives, the MIB welcomes additional discussions within the AMI-SeCo on the impact on the T2S community of the remaining gaps in compliance with the T2S CA standards.

Spain

T2S Matching fields

Based on further discussions and analyses in the AMI-SeCo, given the low severity, low volumes, and of the emerging good prospects of achieving full compliance, the MIB:

- confirmed the low potential overall impact on the rest of the T2S Community.

Finland - Euroclear Finland

T2S Corporate Actions Standards

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

- confirmed the high overall impact on the rest of the T2S Community;
- invites the Finnish market to develop a plan to achieve full compliance with the T2S corporate action standards

Restrictions on omnibus accounts

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

- confirmed the high overall impact on the rest of the T2S Community;
- invites the Finnish market to develop a plan to achieve full compliance with the T2S standard on restriction on omnibus accounts

France – Euroclear France

T2S Standard on Restrictions on Omnibus Accounts

Taking note of the feedback received from the FR NSG and given the high severity of non-compliance, low volumes, and the welcome commitment in the French market to find solutions for an implementation plan to reach full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community.

Croatia - SKDD

T2S corporate actions standards

Given the high severity of non-compliance, low affected 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 Croatian market's plan for full compliance with the T2S CA Standards.

Hungary

T2S standard on schedule for settlement day and T2S calendar

Given the medium severity, low volume, and lack of an implementation plan to achieve full compliance, the MIB:

- confirmed the medium overall impact on the rest of the T2S Community;
- took note of the Hungarian market's compliance with the T2S calendar and the remaining compliance gap on the T2S schedule of the settlement day. Furthermore, the MIB maintained its position of encouraging the Hungarian market to develop a plan to ensure full compliance with the T2S schedule of the settlement day.

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.

Luxembourg - LuxCSD

T2S corporate actions standards

Given the low severity of non-compliance, low 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.