

ESTONIAN NATIONAL USER GROUP FOR THE TARGET2-SECURITIES PROJECT (EENUG)

14 September 2012, 11:00–12:15

Eesti Pank, Tallinn

Minutes of the Meeting

Chairman of the meeting: Mihkel Nõmmela
Secretary of the meeting: Tiina Soosalu

Participants at the meeting: Mihkel Nõmmela, Tiina Soosalu, Viive Sumberg, Rea Tänav, Mare Toom, Ülle Lukkonen, Viivi Enni (Eesti Pank); Kristel Vanasaun, Maris Kõiv, Liis Märdin (Estonian CSD); Lembit Olev (Ministry of Finance); Tatjana Grünvald, Andres Soosaar, Eha Rudi (AS SEB Pank); Elo Tempel (AS Swedbank); Piret Tamm (Versobank AS), Liina-Maria Lepik (AS LHV Pank); Katrin Kruustükk, Kaidi-Ann Tambek (Nordea Bank Finland PLC Estonia branch)

Agenda of the meeting

1. T2S from 1 July 2012 onwards: new structure. New chairman appointed for EENUG
2. Overview of events held and current consultations
3. Euroclear Bank meeting scheduled for September 24
4. Agenda of and preparation for the T2S Advisory Group
5. Any other business (T2S info session on October 5, etc)

1. T2S from 1 July 2012 onwards: new structure. New chairman appointed for EENUG

Mihkel Nõmmela introduced himself as the new Chairman of EENUG and informed EENUG members that a new T2S management structure had been established from July 1 onwards, and that Elo Tempel from Swedbank would represent Estonian banks in the T2S Advisory Group in addition to representatives of Eesti Pank and the Estonian CSD. M. Nõmmela also gave an overview of which representatives of Eesti Pank and the Estonian CSD would participate at which working parties from July 1 onwards.

Resolution: to take note of the information

2. Overview of events held and current consultations

Tiina Soosalu gave a brief overview of the meeting of the T2S Project Managers Group. Overall, the T2S project is on schedule: as at June 30, 72% of the software had been completed. Testing activities are a little bit behind schedule. The meeting revealed that adjustments would be made in the waves of migration. As a number of CSDs wish to migrate in the third wave, with only a single CSD migrating in the second wave, negotiations will be held with the CSDs with respect to potential rescheduling. The need for a fourth wave is currently being considered.

Kristel Vanasaun added that the Estonian CSD and the Lithuanian CSD had informed the European Central Bank of their intention to migrate in the third (last) wave. Upon introduction of the fourth wave, the CSDs will consider migration in the fourth wave.

Viive Sumberg introduced the activities of the Change Review Group.

Kristel Vanasaun informed EENUG members that no comments had been submitted to the questionnaire filled out by the Estonian CSD in the course of the TFA (Task Force on Adaptation to Cross-CSD Settlement) consultation and that the questionnaire would be submitted to the European

Central Bank on September 14. In addition, K. Vanasaun pointed out that, as regards CCPs (Central Counterparties), the Estonian CSD had emphasised the need to establish equal rules for trading platforms and CCPs in terms of T2S functionalities and rules.

Mare Toom introduced the additions to TARGET2 ICM (Information and Control Module). Only the T2S direct participants will receive information on the T2S DCA (Dedicated Cash Account) via the T2S ICM. One of the options for receiving information on the T2S DCAs is to use the TARGET2 ICM. This allows for liquidity transfers and standing orders between RTGS and DCAs. M. Toom also discussed the pricing of queries. Kristel Vanasaun added that the Estonian CSD was planning to offer the same data query options in the Depend system.

Kristel Vanasaun informed EENUG members that the two-stage approach of the Estonian CSD had been reported in the survey of the CASG (T2S Corporate Actions Standards Gap Analysis) market consultation: identification of claims (market claims, transformations) would be introduced by the end of the first quarter of 2013, the settlement option would be added in the second stage, after the launch of T2S. In addition, the Regulation of the Minister of Finance “Procedure for Maintenance of Estonian Central Register of Securities” will need to be amended, with the corresponding amendment proposal to be submitted to the Ministry of Finance in the first half of 2013.

Tiina Soosalu informed the representatives of banks that the European Central Bank had submitted Volumetric Assumptions Questionnaires to the central banks and CSDs, requesting specification of the estimated settlement volumes and their daily distribution after launch of T2S, number of members, etc. The deadline for the submission of comments to the questionnaires was September 14. The questionnaires will be adjusted according to the comments submitted to the ECB, and will then be filled out by the central banks and CSDs.

Resolutions:

- a) the banks will state their preferences in case of introduction of a fourth wave
- b) the banks will take note of the fact that Eesti Pank and, if necessary, the Estonian CSD will send the Volumetric Assumptions Questionnaires to the banks for their estimation in September

3. Euroclear Bank meeting scheduled for September 24

Viive Sumberg informed EENUG members that the representatives of Euroclear Bank would pay a visit to Estonia on September 24 and were willing to meet with the market participants. The purpose of the meeting is to ascertain whether (and how) Euroclear Bank could offer T2S auto-collateralisation options for the Estonian market participants in a situation where the ICSDs do not intend to migrate to T2S, but the CSDs incorporated in the ICSD groups intend to migrate. Eesti Pank will soon send the formal invitation to EENUG.

Resolutions: to take note of the information

4. Agenda of and preparation for the T2S Advisory Group

Mihkel Nõmmela introduced the agenda of the T2S Advisory Group meeting of September 18-19. EENUG will meet a week before the AG meeting – i.e. at 11:00 on November 23.

Resolution: to take note of the information

5. Any other business (T2S info session on October 5, etc)

Mihkel Nõmmela informed that the next T2S info session would be held in Vienna on October 5. For Estonia, the most interesting item on the agenda is the T2S auto-collateralisation. M. Nõmmela also

informed EENUG members that Eesti Pank would create a restricted-access web page, which would provide access to restricted materials used for EENUG purposes.

Resolution: to take note of the information