

Feedback to consultation paper

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Proposal Nr.	Statement	Comment	Institution	Confidential
1	I do not agree entirely	Federation of Finnish Financial Services (further "FFFS") supports the idea of having single and uniform securities account structure. However FFFS keeps it important that the account structure of T2S shall include same level of information as currently required for securities accounts by local legislation. According to Operational Feasibility T2S would only contain minimum amount of data used for settlement. Specially in end-investor account systems that would require splitting information between local systems and T2S, which would increase both risks and costs. Account structure must also guarantee an equal level playing field for each participating market irrespective of their current account structure and local requirements thereto as required by the ECOFIN meeting in 27 February 2007 by saying " <i>the technical specifications should enable both direct and indirect holdings of securities in T2S, with same efficiency and costs</i> ".	Federation of Finnish Financial Services	No
2	I do not agree entirely	Comment to proposals 2 to 5. FFFS requests to clarify the cash accounts and payment functionalities more in detail.	Federation of Finnish Financial Services	No
3			Federation of Finnish Financial Services	No
4			Federation of Finnish Financial Services	No
5			Federation of Finnish Financial Services	No
6			Federation of Finnish Financial Services	No

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7			Federation of Finnish Financial Services	No
8			Federation of Finnish Financial Services	No
9			Federation of Finnish Financial Services	No
10			Federation of Finnish Financial Services	No
11			Federation of Finnish Financial Services	No
12			Federation of Finnish Financial Services	No
13			Federation of Finnish Financial Services	No
14			Federation of Finnish Financial Services	No
15		User participants of T2S need a possibility to directly (under authorisation from the CSD, i.e. licence of an account operator) open accounts, maintain accounts (information on account and account holder) and add/remove rights and restrictions to the accounts. In end-investor account countries this information is maintained only in the book-entry system and participants either use directly this information for their own purposes or mirror it their own systems. Maintaining information partially in T2S and partially with local CSD will increase both risks and costs. This would also lead to more complex system structure in end-investor account systems compared to markets with multi-tier accounts. Please see also our request for equal level playing field in proposal 1.	Federation of Finnish Financial Services	No
16			Federation of Finnish Financial Services	No

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17			Federation of Finnish Financial Services	No
18			Federation of Finnish Financial Services	No
19			Federation of Finnish Financial Services	No
20	I do not agree entirely	FFFS support harmonisation of operations and market practices. However we want to point out that client level settlement (like in end-investor account models) or corporate actions payments during national bank holidays would in practice require that also the national payment systems are open for settlement. It is a remarkable cost for the participants to keep operations running on national bank holidays and therefore the need and feasibility of such a timetable must be carefully evaluated. The biggest need that we see for keeping systems open on outside the national payments systems operating hours would be need to make collateral transfers (free of payment).	Federation of Finnish Financial Services	No
21	I do not agree entirely	The current Finnish market does not have night time settlement. We estimate that also in T2S the day-time settlement will be the main settlement period for Finnish market. This is due to the high number of foreign investors and Finnish end-investor account model. Instructions from foreign (specially U.S) investors arrive during the night time and therefore night-time settlement is too early for these transactions. FFFS also requests more technical nettings and optimisation batch to the day-time settlement period. Especially we feel crucial to have technical netting in the beginning of the day-time settlement.	Federation of Finnish Financial Services	No
22			Federation of Finnish Financial Services	No
23			Federation of Finnish Financial Services	No
24			Federation of Finnish Financial Services	No
25			Federation of Finnish Financial Services	No

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26			Federation of Finnish Financial Services	No
27			Federation of Finnish Financial Services	No
28	I agree	We support trough-the-day possibility to enter and maintain new instructions. For participants own operations and client service it is necessary that also information on status of the instructions and settlement transactions is available continuously in forms of reports and queries.	Federation of Finnish Financial Services	No
29			Federation of Finnish Financial Services	No
30	I do not agree entirely	Definition of matching should be clarified and it is unclear how matching should be understood in this context. In the Finnish market matching refers to comparison of settlement instructions between selling and buying participants without participants' confirmation of the instructions (i.e. instructions do not become binding after matching). A matching functionality should be included in T2S and all transactions should be matched in T2S instead of local markets, unless they are automatically matched already ex. in the stock exchange or CCP. Matching practices should be harmonised in all markets having the European standards as a benchmark.	Federation of Finnish Financial Services	No
31			Federation of Finnish Financial Services	No
32			Federation of Finnish Financial Services	No
33			Federation of Finnish Financial Services	No
34			Federation of Finnish Financial Services	No
35			Federation of Finnish Financial Services	No

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36			Federation of Finnish Financial Services	No
37			Federation of Finnish Financial Services	No
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46			Federation of Finnish Financial Services	No
47			Federation of Finnish Financial Services	No
48			Federation of Finnish Financial Services	No

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49			Federation of Finnish Financial Services	No
50			Federation of Finnish Financial Services	No
51			Federation of Finnish Financial Services	No
52	I completely disagree	In the Finnish book-entry system part of static data is produced by account operators (banks), who operate the book-entry system under an authorisation granted by the CSD. Also in T2S account operators, who have direct technical access to T2S should have a access to the Authorisation interface under the approval of the local CSD. This would enable a streamlined and cost-effective operating model for static data.	Federation of Finnish Financial Services	No
53			Federation of Finnish Financial Services	No
54			Federation of Finnish Financial Services	No
55			Federation of Finnish Financial Services	No
56			Federation of Finnish Financial Services	No
57			Federation of Finnish Financial Services	No
58			Federation of Finnish Financial Services	No
59			Federation of Finnish Financial Services	No
60			Federation of Finnish Financial Services	No

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61			Federation of Finnish Financial Services	No
62			Federation of Finnish Financial Services	No
63			Federation of Finnish Financial Services	No
64			Federation of Finnish Financial Services	No
65			Federation of Finnish Financial Services	No
66	I completely disagree	We feel it impossible to make any comment on most preferable migration alternative at this stage of the project. However migration period should be planned to be as short as possible.	Federation of Finnish Financial Services	No
67	I do not agree entirely	We recognise the importance that functionalities and practices will be harmonised to extend possible. This is one of the key elements to reduce complexity and costs in system solutions. Harmonisation should be made in a way that participating markets will create together new common standards using European standards as benchmark. Possibility to national exceptions should be limited to the extend possible. As a general comment to the whole consultation paper we would highlight the importance of well defined definitions for all terms used in this consultation. Now definitions are missing and terms are partially used in non-coherent way. Terms are used and understood differently between the markets and therefore definitions are crucial to guarantee common understanding of the proposals.	Federation of Finnish Financial Services	No