

## Feedback to consultation paper

|                            |  |
|----------------------------|--|
| <b>Document Title</b>      | <b>T2S Consultation Paper: Principles and High Level Proposals</b> |
| <b>Document Reference</b>  | <b>070323_note_ConsultPrincipalsProposals_v0.98.doc</b>            |
| <b>Issued for review</b>   | <b>26.04.2007</b>  |
| <b>Deadline for review</b> | <b>21.06.2007</b>  |

General comments: These answers and comments have been worked out by the Norwegian CSD, Verdipapirsentralen (VPS), in consultation with Norwegian market participants. Norges Bank has acted as a coordinator. Norwegian market participants emphasize that it is important that T2S should take into consideration other ongoing harmonisation efforts, as for example the removal of the Giovannini barriers. For the next T2S consultations it will be valuable if ECB provides a glossary to ensure consistent interpretation.

| Proposal Nr. | Statement             | Comment   | Institution | Confidential |
|--------------|-----------------------|---|-------------|--------------|
| 1            | I agree               | For the Norwegian market it will be a disadvantage in having all end-investors accounts in T2S.   | VPS ++      | No           |
| 2            |                       |   | VPS ++      | No           |
| 3            | I agree               |   | VPS ++      | No           |
| 4            |                       |   | VPS ++      | No           |
| 5            | I agree               |   | VPS ++      | No           |
| 6            | I agree               |   | VPS ++      | No           |
| 7            | I agree               | This is important for an end-investor country. It is important that the demand of end-investor countries are met with the same efficiency and costs as for other countries in T2S, ref: Ecofin press release February 27th. In the meeting between Marc Bayle and the Norwegian market participants in Norges Bank May 21st VPS introduced 3 models which might be relevant for the Eurosystem to consider. | VPS ++      | No           |
| 8            |                       | We will await more details.   | VPS ++      | No           |
| 9            | I agree               |   | VPS ++      | No           |
| 10           | I agree               | We anticipate that the account structure will be the object of a dedicated market consultation at a later stage.  | VPS ++      | No           |
| 11           | I agree               | This is important for CSDs choosing an end-investor solution.   | VPS ++      | No           |
| 12           | I agree               | Important to find mechanisms to ensure consistency between data for securities that are eligible for settlement in more than one CSD.   | VPS ++      | No           |
| 13           | I agree               |   | VPS ++      | No           |
| 14           | I agree               |   | VPS ++      | No           |
| 15           | I agree               |   | VPS ++      | No           |
| 16           | I agree               |   | VPS ++      | No           |
| 17           | I agree               |   | VPS ++      | No           |
| 18           | I agree               |   | VPS ++      | No           |
| 19           | I agree               |   | VPS ++      | No           |
| 20           |                       |   | VPS ++      | No           |
| 21           | I agree               | This is the service-level in Norway of today, and should be maintained also T2S.  | VPS ++      | No           |
| 22           |                       |   | VPS ++      | No           |
| 23           | I completely disagree | Night-time settlement should be harmonised for all CSDs: Either all CSDs should offer night-time settlement or no CSD should offer this.  | VPS ++      | No           |
| 24           |                       | Does this mean that there will be different deadlines for different currencies T2S becomes a multicurrency system? Domestic and T2S deadlines must not differ.  | VPS ++      | No           |
| 25           | I agree               |   | VPS ++      | No           |
| 26           | I agree               |   | VPS ++      | No           |
| 27           | I agree               |   | VPS ++      | No           |
| 28           | I agree               |   | VPS ++      | No           |
| 29           | I agree               |   | VPS ++      | No           |
| 30           | I agree               | Domestic transactions should enter T2S already matched. For cross-border transactions matching will take place in T2S.  | VPS ++      | No           |
| 31           |                       | We will await more details.   | VPS ++      | No           |
| 32           |                       | We will await more details.   | VPS ++      | No           |
| 33           | I agree               |   | VPS ++      | No           |
| 34           | I agree               |   | VPS ++      | No           |
| 35           | I agree               |   | VPS ++      | No           |
| 36           | I agree               |   | VPS ++      | No           |
| 37           | I agree               | We will await more details.   | VPS ++      | No           |
| 38           | I agree               |   | VPS ++      | No           |
| 39           | I agree               |   | VPS ++      | No           |
| 40           | I agree               |   | VPS ++      | No           |
| 41           |                       | The Norwegian legislation does not support this functionality today.  | VPS ++      | No           |
| 42           | I agree               |   | VPS ++      | No           |
| 43           | I agree               |   | VPS ++      | No           |
| 44           | I agree               |   | VPS ++      | No           |
| 45           | I agree               |   | VPS ++      | No           |
| 46           | I agree               |   | VPS ++      | No           |
| 47           | I agree               |   | VPS ++      | No           |
| 48           | I agree               |   | VPS ++      | No           |
| 49           | I agree               |   | VPS ++      | No           |
| 50           | I agree               |   | VPS ++      | No           |
| 51           | I agree               |   | VPS ++      | No           |
| 52           |                       | It is important that this functionality is harmonised with the ongoing work to remove Giovannini barrier 1.   | VPS ++      | No           |
| 53           | I agree               |   | VPS ++      | No           |
| 54           | I agree               |   | VPS ++      | No           |
| 55           | I agree               |   | VPS ++      | No           |
| 56           | I agree               |   | VPS ++      | No           |
| 57           | I agree               |   | VPS ++      | No           |
| 58           | I agree               |   | VPS ++      | No           |
| 59           | I agree               |   | VPS ++      | No           |
| 60           | I completely disagree | If T2S shall be able to handle a daily average settlement volume also for end-investor countries, a volume of 2.1 million settlements per day is far too low. In Norway the daily volume currently represent 5% of this volume. It is important that capacity can be increased easily.  | VPS ++      | No           |
| 61           | I agree               | Ref our comments on proposal 60.  | VPS ++      | No           |
| 62           | I agree               |   | VPS ++      | No           |
| 63           | I agree               |   | VPS ++      | No           |
| 64           | I agree               |   | VPS ++      | No           |
| 65           | I agree               |   | VPS ++      | No           |
| 66           | I agree               |   | VPS ++      | No           |
| 67           | I agree               |   | VPS ++      | No           |