

Market consultation feedback on T2S user requirements and annexes

Feedback on T2S User Requirements and Annexes

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Nbr	Chapter/ Annex nbr	Page	Line	Topic	Comments	Suggested drafting change	Confidential Y/N
1	Chapter 1.2		4	27	Principle 3	Where does registration take place i.e. transfer of ownership. Will T2S have a feed into the registrars or will this still happen at a CSD level. This will have implications in relation to settlement of certificated trades, corporate actions, FOP trades.	
2	Chapter 1.2		5	4	Principle 5	T2S will surely increase costs due to the duplication of messaging between the CSD, T2S and the Cad's client.	
3	Chapter 1.2		6	1	Principle 9	In relation to the Irish market there are a number of stocks that are quoted on the ISE and the LSE in Euro and Stg respectively. This highlights the importance for GBP settlement services to be available from the offset, as we have occasions where we buy a stock on the LSE and sell it on the ISE or vice versa. These stocks are fungible on a settlement basis, but if GBP is not made available in the T2S it would result in a stock break due to one leg settling in T2S and the other in Crest. There would also be an increase in cost due to an instruction having to be inputted to move the stock.	
4	Chapter 3.1.2.4		8	14	Night-Time Settlement	Does the transfer of ownership take place in this period, or does this happen on the contractual value date of the trade, as this may require the registrars to participate during the night-time settlement period.	
5	Chapter 3.1.2.7		11	13	End of Day	At what period does a trade pass its last recycling date and will this be harmonised with the local CSD?	
6	Chapter 3.1.4		12	26	Specific Deadline	With the extended settlement time, consultation would need to take place with Irish banks to discuss the change in cut-off times for Euro payments	
7	Chapter 5.1.2		6	1	Instruction Maintenance	Functionality should be available to cancel collateral trades unilaterally	
8	Chapter 5.5.2		23	9	Mandatory Matching Fields	Trades dealt with special conditions i.e. with/without rights, cum/ex div will require mandatory matching fields	
9	Chapter 5.5.3		25	2	Additional Matching Fields	Trade system of origin is required for UK and Irish markets for transaction reporting and the Agent Indicator for the collection of Stamp for the Revenue Commissioners.	
10	Chapter 7.2.1.5		12	11	Cut-Off Time DVP Settlement	Is the proposed cut-off time subject to a smooth stop?	
11	Chapter 7.2.2		14	11	Different Level of Priorities	We need to more priority options in order to determine the sequence that the trades settle in.	
12	Chapter 8.1.5		15	11	Timing for the provision of Partial Settlement Procedures	Are the partial settlement cycles done on a continuous basis for the period or just on a snap shot for that cycle.	
13	Chapter 8.1.6		16	10	Need for agreement for partial settlement	All transactions should be made available to partial settlement.	
14	Chapter 9.2.6		12	25	Borrowing and Lending operations in securities	Will T2S take on the role of mark to marketing the open stock loans and generate margin amounts to be debited/credited to the cash account or will this still be done at a CSD level	
15	Chapter 9.3		14	2	Settlement of corporate events in T2S	As the CSD will continue to maintain the interface to the registrars, T2S will attribute a further leg into the settlement of a corporate action by having to send an instruction to T2S to settle the trade, thus increasing costs	
16	Chapter 10.1		3	1	Securities positions and cash balances	With all security trades now being reflected in both T2S and the CSD, it opens up the need for 1. Integrity recs to be done by T2S and the CSD and 2. The maintenance of 2 databases to store the same information	
17	Chapter 14.5		30	19	Value of Securities	What price feed will be used to value the securities	
18	Chapter 16.7.4		26	10	Securities Valuation	What price feed will be used to value the securities	
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