

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: Euroclear	Institute: CSD	Date raised: 31/07/2012
Request title: Issuance accounts in the name of entities other than CSD		Request ref. no: T2S 0372 SYS
Request type: Common		Urgency: Normal
1. Legal/business importance parameter: Medium	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Medium	4. Financial impact parameter: Low	
Requestor Category: CSD	Status: Authorised at Steering Level	

Reason for change and expected benefits/business motivation:

In ESES, in order to comply with legal environment, some issuing agents may hold in their name the issuance account or the quasi issuance account (such as the Issuing and paying agent for the French MMI).

For some securities (e.g. Money Market Instruments), the legal owner and the manager of the issuance account is an entity different from the CSD (issuer agent). This agent is authorised to mark up / mark down the issuance account directly on STP mode and to receive all the reporting in relation to this account.

At present T2S does not allow an entity other than the CSD to be the owner of an issuance account and to hold negative balances.

Description of requested change:

The request is that T2S allows a CSD to create an issuance account which can be technically linked to an entity other than the CSD (i.e. party type = CSD Participant). It's needed for certain types of ESES securities (e.g. MMI, funds). The Securities CSD link allows the link between an ISIN, CSD and issuance accounts belonging to a CSD. The request is to allow this link with issuance accounts belonging to a CSD Participant (such as an issuing and paying agent for the Money market instruments).

Submitted annexes / related documents:

Proposed wording for the SYS Change request:

High level description of Impact:

Outcome/Decisions:

- CRG meeting of 1-2 October 2012: The Change Request is discarded.
- CRG meeting of 3 December 2012: The CRG agreed to the approach that a discussion on potential workarounds should take place with the French market first and based on that outcome a detailed assessment could be made if no workarounds are viable.
- CRG Telco of 10 December 2012: The CRG recommended a detailed assessment by 4CB whilst the French market further investigate legal feasibility of the workaround proposed in the CRG in October 2012.
- CSG meeting of 13 December 2012: The CSG decided to request the detailed assessment by the 4CB and to treat it as a common CR.
- CSG meeting of 6-7 March 2013: The CSG adopted the resolution to approve the Change Request.