

T2S PROGRAMME OFFICE

20 September 2012

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# MANDATE OF THE

## T2S HARMONISATION STEERING GROUP

### 1. Preamble

Major T2S stakeholders have insisted that they will not be able to reap the full benefits of T2S if post-trade processes related to T2S are not harmonised. Thus post-trade harmonisation should be a key deliverable of the T2S project. In their view, unless key national specificities in local markets are harmonised, T2S will not achieve its objective.

Even though T2S includes already today, via the definition of the User Requirements (URD) and other T2S scope defining documents, considerable harmonisation agreements and standards,<sup>1</sup> there are still important issues which require further analysis and action either from the T2S stakeholders or the relevant public authorities.

Upon request by the T2S Advisory Group (AG), the T2S Programme Board (PB) agreed in 2011 to allocate necessary PB and T2S team (i.e. the T2S Team in the ECB) resources to support the work of a T2S Harmonisation Steering Group (HSG). The group is in principle composed of T2S Board<sup>2</sup> and senior AG members and is supported in its work by the T2S Team and the T2S National User Groups (NUGs). The key objective of the HSG is to advise the AG in issues related to the T2S harmonisation activities in order to achieve a lean and efficient T2S.

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<sup>1</sup> T2S single communication protocol, settlement model, timetable etc.

<sup>2</sup> T2S Board is the successor body to the T2S Programme Board.

## **2. Mandate**

### **2.1 Tasks**

The AG renews the mandate of the HSG which includes the following tasks:

- To analyse the list of T2S harmonisation items (also known as “harmonisation activities”) which is maintained by the T2S Team. The HSG provides guidance to the T2S Team regarding the relevant issues, the proposed standards, and the priorities and implementation plans included in the T2S harmonisation list;
- To assess and follow the implementation of the T2S harmonisation agreements and standards in T2S markets with the help, where relevant, of NUGs;
- To present a status update of the HSG work in each AG meeting and seek advice where necessary;
- To advise the AG to undertake initiatives for communicating key harmonisation policy issues to the relevant EU authorities;

### **2.2 Expiry**

The HSG’s mandate shall expire:

- when the AG decides to dissolve the HSG; or
- when the AG mandate expires;

## **3. Composition**

### **3.1 Chairperson**

The AG shall appoint the Chairperson of the HSG upon proposal of the AG Chairman. As a rule, the Chairperson shall be an AG or a T2S Board member. The HSG Chairperson shall be entitled to designate an alternate to replace him/her in exceptional circumstances.

The HSG Chairperson shall have the following tasks and responsibilities:

- determine the frequency, format and agenda of the meetings;
- conduct the HSG meetings;
- invite external experts and/or members of the T2S Team or the 4CB to the HSG meetings on a specific topic;

- report to the AG
- inform the T2S Board;
- represent the group in liaising with other relevant European bodies and initiatives.

### **3.2 Secretary**

The Secretary shall be a member of the T2S Team, designated by the AG Chairperson.

The Secretary shall have the following tasks and responsibilities:

- co-ordinate the organisation of the meetings and relevant documents;
- support the Chairperson in the preparations for the HSG meetings;
- draft summaries of the meetings;
- support the Chairperson in preparations for reporting to AG and informing the T2S Board, when required;

### **3.3 Members**

Members shall be appointed by the AG, upon proposal of the AG Chairperson and on the basis of suggestions by individual AG members.

The members of the HSG shall:

- have an appropriate level of seniority and expertise in post-trade arrangements and processes.
- be able to initiate actions and mobilise resources in order to contribute to the T2S harmonisation goals.
- be in principle member either of the AG or the T2S Board and be able to contribute substantially to the relevant T2S topics.

### **3.4 Participation**

Participants in the HSG participate on a personal basis and can therefore not be replaced by alternates. Participants shall provide adequate resources for achieving progress within a short time period. .

### **3.5 Reporting**

The HSG will deliver a progress report to the AG on a annual or semi-annual basis. Lack of progress in certain harmonisation items or by certain markets shall be flagged so that the AG can make proposals on how to foster implementation. This report shall be published on the ECB website and be submitted to the Governing Council for information.

## **4. Working procedures**

### **4.1 Meetings**

The HSG should meet as regularly as required for fulfilling its mandate. The exact frequency and form of the meetings is ultimately a decision of the HSG Chairperson but it is understood that the HSG has at least one meeting/teleconference in between two AG meetings. When considered feasible, written procedures may be applied.

The Chairperson shall decide on the agenda for each meeting.

The Secretary shall circulate meeting documentation sufficiently in advance of the meetings (at the latest three working days prior to an HSG meeting date).

The HSG shall normally hold its meetings in the premises of the ECB. Meetings may also be hosted by HSG members' institutions or by means of teleconferencing.

### **4.2 Deliverables**

The HSG shall aim at working in consensus. Deliverables shall be produced in accordance with the HSG's tasks (see 2.1).

If considered feasible, written procedures may be applied.

### **4.3 Substructures**

The HSG may establish substructures to support its work in an efficient manner. The HSG shall define the mandate of such substructures. The HSG shall coordinate with the AG and the T2S Board in order to avoid the duplication of substructures on similar topics.

### **4.4 Interaction and information exchange**

The HSG shall co-operate with public authorities and industry initiatives currently working on post trade harmonisation and use their work as starting point in its analysis. The work of other T2S AG substructures should also be taken into account when harmonisation items are assessed in the T2S harmonisation list. The NUGs shall also be activated in monitoring harmonisation standards implementation by relevant T2S actors and markets.

### **4.5 Transparency**

The T2s Team shall make available all relevant documentation and information (HSG agenda and documents) on the T2S website.

In exceptional cases, the Chairperson may decide to restrict the publication of individual documents on the T2S website if these documents contain confidential information as defined in Schedule 1 of the FA and the CPA. The members, and invited experts should not disclose such information to the public.