

T2S CORPORATE ACTIONS SUB-GROUP

Outcome of the 17 October 2016 CASG meeting

1. Introduction

The CASG chairman welcomed Helena Bastos, replacing Frederic Beck from BNP Paribas as a new member.

2. CASG gap analysis update

The CASG had a thorough discussion on the first draft of the gap analysis. The preliminary results show a small progress in the compliance results. Most T2S markets showed either increases in the degree of current compliance with the standards or maintained their current compliance in terms of statistical compliance measures with the standards.

Further to the 17 October 2016 CASG discussions, the compliance status of DK's VP Securities will be changed to red. Further clarifications will be sought for the ESES markets and Lux CSD.

Action Points

- **CASG members to provide comments to the ECB team by 21 October 2016 cob.**
- **CASG chairman to present the gap analysis to the HSG during its meeting on 8-9 November**

3. FAQ updates

- Market Claim Standard 23

The CASG discussed a briefing note prepared by the ECB team which summarised the responses from the NUGs to questions related to Market Claim Standard 23 that were included in a fact-finding questionnaire that had been issued to the NUGs in July. One specific outcome of the discussion was that the FAQ will be updated to specify that the hold/release mechanism that gives CSD participants the ability to put market claims relating to CCP transactions on hold between the generation of the market claim in the early evening and the start of overnight settlement will be considered a user-friendly facility in line with Market Claim Standard 23. A briefing note explaining the arguments for and against this conclusion will be prepared, and presented to the 08-09 November 2016 HSG meeting.

- Transformation scenarios + Annex 2

The FAQ transformation scenarios will be further reviewed to include the additional scenarios flagged in the 17 October 2016 CASG discussions.

- Annex 1 update on Reverse Claim processing

The following sentence has been approved to be added "In case of a combined use of both opt-out and ex/cum indicators, the opt-out flag takes precedence, and neither market claim nor reverse market claim should be generated."

Action Points

- **ECB team to prepare a draft note on market standard 23 by 28.10.2016.**
- **CASG members to provide comments to the ECB team on the revised Transformation scenarios (Q&A 2.18 to 2.22) by 21 October 2016 cob**
- **ECB team to revise the transformations and market claims scenarios based on the comments to be received (to be submitted to HSG in written procedure or in 08-09 November meeting if time allows)**

The following items will be discussed in the 25 October 2016 teleconference.

4. Issues list of the CASG

The CASG is to discuss on the open on-going issues related to CA processing, based on its issues list.

5. Reverse claim processing

- Updated note on fiscal status of market claims

6. Any other business

6.1 Other topics 6

CASG is to discuss on other topics which are brought by CASG members

- Update and follow up on prospectus regulation

6.2 Next steps

Next CASG telco on 25 October from 10h00 to 12h00