

## 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>27.06.2007</b>

<b>Proposal Nr.</b>	<b>Statement</b>	<b>Comment</b>	<b>Institution</b>	<b>Confidential</b>
1	I agree		LCH.Clearnet Group	No
2	I do not agree entirely	Possible inconstancy between the proposal and the explanations. We understand that ONLY T2S cash account will serve the DVP settlement process (model 1) while RTGS main account will allow liquidity transfer from and to the T2S cash account . Should the RTGS account be directly used for settlement purposes under the DVP model 1, is non explicitly written. Additional explanations are required.	LCH.Clearnet Group	No
3	I agree		LCH.Clearnet Group	No
4	I agree		LCH.Clearnet Group	No
5	I agree		LCH.Clearnet Group	No
6	I completely disagree	Current Euroclear group's CSDs allow to settle via "ONE technical account" instructions related to several CSDs. We request that One T2S securities account can be assigned to one or n CSDs when the latters agree on that principle (e.g. EF, ENL, EBE)	LCH.Clearnet Group	No
7	I agree		LCH.Clearnet Group	No
8	I agree	CCP account should also be identified as "specific" account	LCH.Clearnet Group	No
9	I agree		LCH.Clearnet Group	No
10	I agree		LCH.Clearnet Group	No
11	I agree		LCH.Clearnet Group	No
12	I agree		LCH.Clearnet Group	No

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13	I agree		LCH.Clearnet Group	No
14	I agree		LCH.Clearnet Group	No
15	I agree		LCH.Clearnet Group	No
16	I agree	Under the condition it will be operated under a flexible and efficient way	LCH.Clearnet Group	No
17	I do not agree entirely	More clarifiaction is needed. Who and How will it be governed and operated.	LCH.Clearnet Group	No
18	I do not agree entirely	Same comment as proposal 17.	LCH.Clearnet Group	No
19	I agree		LCH.Clearnet Group	No
20	I do not agree entirely	Depends on currency's to be included within scope. For EURO currency we agree that T2 and T2S should operate within the same operating hours. However for non-euro (which should be delivered by T2S further), the operating hours need to be reviewed  A period needs to be made available prior to the start of the night time and after the en	LCH.Clearnet Group	No
21	I agree		LCH.Clearnet Group	No
22	I agree		LCH.Clearnet Group	No
23	I completely disagree	We believe that a optional participation in the night cycle will create liquidity issues for participants of CSD opting for a non overnight use unless T2S offers additional "optimization and netting" processes during the day time. Ideally, once a settlement instruction is ready to settle ahead of the start of the night cycle it should be immediately processed. Consequently, we believe inclusion in the night time process is mandatory	LCH.Clearnet Group	No
24	I agree		LCH.Clearnet Group	No
25	I agree		LCH.Clearnet Group	No
26	I agree		LCH.Clearnet Group	No
27	I agree		LCH.Clearnet Group	No
28	I agree		LCH.Clearnet Group	No

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29	I agree		LCH.Clearnet Group	No
30	I agree	As CCP we request to send "already matched instructions" to T2S. In addition, we believe that a real benefit will be reached by all the users (direct or indirect) once the matching functionality will be concentrated in ONE application system namely T2S for the euro-zone countries.	LCH.Clearnet Group	No
31	I agree		LCH.Clearnet Group	No
32	I do not agree entirely	We would recommend an approach whereby matching rules by participating CSD should be harmonized	LCH.Clearnet Group	No
33	I agree		LCH.Clearnet Group	No
34	I agree		LCH.Clearnet Group	No
35	I agree		LCH.Clearnet Group	No
36	I agree		LCH.Clearnet Group	No
37	I agree		LCH.Clearnet Group	No
38	I agree		LCH.Clearnet Group	No
39	I agree		LCH.Clearnet Group	No
40	I agree		LCH.Clearnet Group	No
41	I agree		LCH.Clearnet Group	No
42	I agree		LCH.Clearnet Group	No
43	I agree		LCH.Clearnet Group	No
44	I do not agree entirely	We would recommend to trigger several technical netting during the day-time. More clarification is requested .	LCH.Clearnet Group	No
45	I agree		LCH.Clearnet Group	No
46	I agree		LCH.Clearnet Group	No

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47	I agree	This need to be worked with CCP's members and between CCPs. Partialling must be triggered automatically and ensure the respect of the "zero / flat account principle" at the end of the settlement window.	LCH.Clearnet Group	No
48	I agree	CCP can request the cancellation of end-of-day failed instructions to operate the Continuous Net Settlement and the buy-ins.	LCH.Clearnet Group	No
49	I agree	The optimization mechanism and algorithm should be elaborated in the "user requirements" document	LCH.Clearnet Group	No
50	I agree	The cross border settlement between all CSD's process must insure that both cash and securities are transferred value the same day, without the need for borrowing, lending or additional credit arrangements.	LCH.Clearnet Group	No
51	I agree		LCH.Clearnet Group	No
52	I agree		LCH.Clearnet Group	No
53	I agree		LCH.Clearnet Group	No
54	I agree		LCH.Clearnet Group	No
55	I agree		LCH.Clearnet Group	No
56	I agree		LCH.Clearnet Group	No
57	I completely disagree	the CCP will request to query and access balances and instructions status. This functionality can not be restricted to CSDs (e.g. the processing of market claim/transformation by the CCP on pending transactions)	LCH.Clearnet Group	No
58	I agree		LCH.Clearnet Group	No
59	I agree		LCH.Clearnet Group	No
60	I agree		LCH.Clearnet Group	No
61	I do not agree entirely	We request 300%	LCH.Clearnet Group	No
62	I agree		LCH.Clearnet Group	No
63	I agree		LCH.Clearnet Group	No
64	I agree		LCH.Clearnet Group	No

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65	I agree		LCH.Clearnet Group	No
66	I do not agree entirely	or per "grouped markets" operated under the same settlement SSS infrastructure (i.e. Euroclear group CSDs)	LCH.Clearnet Group	No
67	I do not agree entirely	Markets with large volumes should not guide the T2S functionalities. We request harmonization that will require effort and consensus from all markets. The design of T2S business model has to be based on the best of each CSD and market practices. This will be facilitated by the removal off all the Giovannini barriers at 2013 horizon.	LCH.Clearnet Group	No