



Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo)
National Stakeholders Group (NSG-PT)

Summary of 5th AMI-SeCo NSG-PT Meeting

Place: Telco Webex

Date: December 9th, 2020 – 10.00h to 12.00h

Institutions	Members
Banco de Portugal (BdP)	
Departamento de Sistemas de Pagamentos (DPG)	Maria Tereza Cavaco (Presidente)
	Anabela Mendes
	Daniel Rodrigues
	Fábio Michelli
	Fernando Chau
	Francisco Dias
	Lara Fernandes
	Nuno Brito Soares
Departamento de Mercados (DMR)	Anabela Cardoso
	Eva Janeiro
	José Pedro Braga
	Mónica Gomes
	Pedro Corsino Matos
AEM	Abel Ferreira
	Matilde Perez
APB - Associação Portuguesa de Bancos	João Tomaz
Banco BPI	Paula Silva
	Sofia Pereira Santos



Institutions	Members
Banco Santander Totta	Rita Roque Sandra Santos
BCP	Luís Castanho Ferreira
BNP Securities Services	Bernardo Silva
Caixa Central de Crédito Agrícola Mútuo	Nuno Matos de Oliveira Sónia Costa Reis
CGD	Filipa Alcaide Ricardo Ribeiro
Citibank	Rita Álvares
Deutsche Bank	Miriam Ferreira Pedro Campos
Interbolsa	Corina Oliveira Ruben Azevedo Rui Matos
Novo Banco	Ana Cláudia Eusébio Tiago Louro Vasco Pinto
SIBS	Luís Sequeira
Absent Institutions:	
Comissão dos Mercados de Valores Mobiliários (CMVM)	
IGCP- Agência de Gestão da Tesouraria e da Dívida Pública	

1. Introduction and presentation of the meeting agenda

After the meeting agenda's approval, Banco de Portugal called attention to the extension of Eurosystem's projects.

In the previous NSG-PT meeting, on July 10th, a one-year extension of the go-live of the T2-T2S consolidation project, from November 2021 to November 2022, was mentioned as likely. This postponement was approved by the Governing Council on July 28th, 2020.¹

¹ This Decision is available in ECB's *website*:
<https://www.ecb.europa.eu/paym/intro/news/html/ecb.mipnews200728.en.html>



The one-year extension of the ECMS go-live, from November 2022 to November 2023, was also approved by the Governing Council, on October 23rd, 2020.²

2. TARGET2-Securities – recent developments

As mentioned at the last AMI-SeCo NSG-PT meeting, both the volume and the value of settlements in T2S, at the Eurosystem level, have increased significantly since March 2020, following the spreading of the COVID-19 pandemic in Europe.

At the national level, the same trend is observed in the volume of securities transactions. It is also noted that the settlement of securities transactions in DCA accounts opened with BdP are influenced by repayments/issuances of public debt.

In the second half of 2020, there was a reduction in the number of incidents in T2S compared to the previous semester. However, there were two incidents, on August 11 and October 23, with a major impact on the operation of the platform. These incidents resulted from the spillover of failures in TARGET2: on August 11th, hardware failures occurred on the Single Shared Platform (SSP) and on October 23rd, the incident was caused by a defect in the software of a network component that integrates the internal network of the Central Banks that operate TARGET2.

The Market Infrastructures Board (MIB) has determined to carry out an external assessment (audit) of these incidents³, the conclusions of which are expected to be made public in the second quarter of 2021.

3. Eurosystem projects – update and replanning of activities

3.1. TARGET services evolution project

The T2-T2S consolidation project will bring the two platforms together into a single infrastructure. The main changes are: the common access to this infrastructure, through the Eurosystem Single Market Infrastructure Gateway (ESMIG); the migration to the ISO 20022 language; single management of static data - Common Reference Data Management (CRDM); new service hours; new forms of treasury management by the participants, among others. The migration to the new platform in November 2022 will follow a “big bang” approach.

Participants must analyze the impacts of the project on the applications/procedures in their respective institutions, as it is up to each entity to ensure its preparation in the context of the evolution of the services of the new platform. Therefore, at this moment, the institutions should have already created the internal working group, analyzed the impacts for their institution and made the specifications of the necessary changes.

² This Decision is available in ECB’s *website*:
<https://www.ecb.europa.eu/paym/intro/news/html/ecb.mipnews201023.en.html>

³ This communication is available in ECB’s *website*:
<https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201116~7b08f0a3c5.en.html>



In addition, the most urgent activities are the process of choosing the Network Service Provider (NSP) and the beginning of the development of the necessary software (e.g., internal applications). BdP will send a questionnaire to the participants in January 2021, for a better monitoring of this process.

The main milestones until December 2021 were presented and commented, highlighting those related to the selection of the NSP (March 31) and the beginning of user tests (user testing - December 1).

BdP informed the participants that training actions under this project started last November, with the training plan foreseeing the approach of one topic per month. The first topic sessions were attended by 170 participants from 42 institutions. Two actions will be carried out, of about two hours, for each topic, thus allowing a higher number of participants from the institutions. December 2020 sessions will be dedicated to the processing of payments (cash transfers) on the future platform. In January 2021, peripheral systems will be addressed and, in February 2021, sessions will be dedicated to liquidity transfers. The topics for future training activities will be announced in a timely manner. Legal and operational issues will be the subject of training actions in 2022.

3.2. ECMS project

The Governing Council approved, on 23 October 2020, the one-year postponement of the ECMS go-live date, from November 2022 to November 2023. Thus, the revision of the project plan is under preparation as well as the financial envelopes.

This postponement did not translate into a generalized extension of all phases of the project, since the ECMS remains closely dependent on the T2-T2S consolidation project. There was only an extension of about 6 months in the Development and Internal Testing phase and 5 months in the Eurosystem Acceptance Tests (EAT) components. All other phases remained unchanged, having only been repositioned in the project plan.

In terms of the documentation package already available, the connectivity guide was published, adding to the remaining documentation previously made available and already mentioned in the previous meeting of the AMI-SeCo NSG-PT (Business Description Document, Harmonized information package and Business messages for interaction with ECMS in application to application (A2A) mode). The connectivity guide defines the necessary guidelines so that ECMS users are able to establish the technical connection to the system within the scope of the test and production environments. The document is available on the ECB's website and was also sent by email to the ECMS project's participants on 14 October 2020.

The harmonized information package, already published, is currently being updated, not only due to the replanning of the project, but also to include information dedicated to reports and the datawarehouse. In addition, documentation is being prepared, to be made available between 2021 and 2022, relating to:



- Access rights and roles (with table of U2A/A2A roles and an explanation on connection and configuration);
- Message reference guide (which will result from the merger of several documents on business messages);
- Counterparty screen guide;
- Tables related to business rules, error codes and state description for better understanding of workflows between ECMS and counterparts.

In terms of ongoing activities, in relation to the July meeting, the highlight goes to the beginning of the definition of requirements for the datawarehouse, the finalization of the User Handbook (which will serve as the basis for the counterparty screen guide), the development of the Manual of Operational Procedures and the resumption of the monitoring exercise scheduled for February 2021.

Regarding testing and migration, the Eurosystem is preparing the EAT and drafting the User Testing Calendar and respective Terms of Reference (ToR), which will be released to participants in the first quarter of 2021.

In terms of community monitoring, the exercise was postponed due to the postponement of the project and the need to re-plan the various phases. This opportunity was used to rethink the exercise itself, with an additional 11 milestones being introduced as a way of intensifying and improving the monitoring of the community's readiness. At this time, the milestones plan has been revised and is in the formal approval process. After this approval, it will be released to the community by the ECB and, in parallel, by the BdP.

There will be a need, at the end of the first quarter of 2021, to update the plan with the dates of some specific milestones from the testing phases, which still have some dependencies. For now, and in view of the revised and agreed plan, it is expected that the next interaction with the community will take place during the second half of February 2021, to monitor the milestones IAD2 and IAD3.

3.3. SCoRE project

The SCoRE Project (Single Collateral Management Rulebook for Europe) comprises a set of harmonization standards, with the aim of allowing uniformity and harmonization between markets. The first phase will focus on debt instruments, for which 15 standards have been defined for Corporate Actions, 4 for Billing Processes and 17 for Triparty Services.

With the approval of the one year postponement of the T2-T2S consolidation and ECMS projects, the SCoRE project schedule was also revised, so that its entry into force continues to coincide with the ECMS go live (thus, it was also postponed to November 2023).

Following this decision, the project was replanned, with an extension of each phase of the project: the 'Analysis and Communication' phase, scheduled to end in the second quarter of



2021, was extended until the end of 2021, and the 'Internal Adaptation' and 'Testing and Implementation' phases will be extended for a year, until the end of 2022 and November 2023, respectively. The SCoRE Compliance Indicators within each phase have also been changed accordingly.

Considering the replanning of the project, CSD and TPA are invited to update their national community's adaptation plans. The deadline for submitting the updated adaptation plan to the NSG is 5 February 2021, so that the plan can be reviewed and endorsed by the NSG and sent to the ECB by 19 February. All adaptation plans will be published by the ECB by 1 March 2021.

BdP invited the group to consider how to approve Interbolsa's revised adaptation plan: in a meeting (to be held between the 5th and 19th of February) or via written procedure. It was agreed to hold a meeting.

The monitoring exercise will be resumed in the defined manner, consisting of an online questionnaire with semiannual periodicity and a two-week response period for institutions. The second questionnaire, planned for March 2021, will cover the 'Analysis of SCoRE Standards' and 'Drafting of Internal SCoRE Documentation Started' topics.

Due to the replanning of the project, it is also under discussion whether it will be necessary to adapt the timeline for phase 2. Under phase 1, the ISO 20022 standard will be mandatorily adopted by the Eurosystem, CSD, TPA and counterparties from November 2023. Phase 2, where the use of ISO 20022 is to be extended to the remaining actors, was scheduled for November 2025. It is under evaluation whether the postponement of one year, to November 2026, is justifiable.

4. Tour de table

Interbolsa shared with the group the post-trade M&A process taking place in the Euronext group, namely the acquisition of the Norwegian and Danish stock exchanges, and the ongoing process of acquiring the Italian stock exchange, which in turn owns Monte Titoli.

Interbolsa also took stock of some clarifications under discussion at the level of Corporate Actions standards, namely Standard 6 (relating to Business day rule) and Standard 8 (regarding Payment Time).

5. Other business

BdP recalled the need for institutions to communicate any changes to the NSG representation, so that such updates can be transmitted to the ECB.

In view of the postponement of the various Eurosystem projects, it will be necessary to update the national Adaptation Plan until 19 February 2021. To this end, it was agreed to hold a meeting (to be held between 5 and 19 February) for the approval of the updated plan.

After the meeting, February 12th was tentatively established for this purpose.