



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

Summary of 8th AMI-SeCo NSG-PT Meeting

Place: Telco Webex

Date: June 27th 2022 – 10.00h to 11.30h

Institutions	Members
Banco de Portugal	
Departamento de Sistemas de Pagamentos (DPG)	Maria Tereza Cavaco (Chair) Anabela Mendes Fernando Chau Francisco Dias Lara Fernandes Nuno Brito Soares
Departamento de Mercados (DMR)	Anabela Cardoso Eva Janeiro Hugo Nogueira José Luís Marques José Pedro Braga Pedro Corsino Matos
AEM	Abel Sequeira Ferreira
APB - Associação Portuguesa de Bancos	João Tomaz
Banco BPI	Ana Rita Barros Daniel Ribeiro João Banza Luís Correia Pedro Marques

Institutions	Members
Banco Santander Totta	Rita Roque
BCP	Luís Moreira Fernandes Nuno Valente
BNP Securities Services	Bernardo Silva
Caixa Central de Crédito Agrícola Mútuo	Sónia Pureza
CGD	Filipa Isabel Alcaide Ricardo Ribeiro
Citibank	Giselle Toloí
Comissão dos Mercados de Valores Mobiliários (CMVM)	Sónia Pedro
Deutsche Bank	Pedro Campos
Euronext Securities Porto	Corina Oliveira Manuel Gonçalves Ferreira Ruben Azevedo
IGCP- Agência de Gestão da Tesouraria e da Dívida Pública	Célia Galrinho
Novo Banco	Tiago Louro Vasco Pinto
SIBS	Luís Sequeira
Absent Institutions	
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1. Introduction and presentation of the meeting agenda

The agenda of the meeting was proposed by the NSG-PT Chair, and was approved by the participants.

2. Eurosystem Projects: Recent developments

2.1. TARGET2-Securities

Banco de Portugal presented a summary of recent developments of securities settlement activity in T2S as a whole and the national community level (including information on value). In the first five months of the year, and compared to the same period in 2021, activity were lower, both in value and in quantity, in securities



transactions settled in T2S, of 3 percent and 15 percent, respectively. Settlement of securities at the national level also recorded a decrease, in quantity and value, of around 13 percent and 3 percent, respectively.

The incidents in T2S in the last six months, compared to the same period of 2021, increased from 16 to 52, mainly due to those related to the penalty mechanism (66 percent in the first half of 2022). The incidents with the greatest impact were those on February 4 and 10– preparation of static data from the penalty mechanism – and April 12– a CSD requested a delay of the beginning of the *Night-Time Settlement* period.

The new releases of T2S, 5.3 was successfully implemented on February 19. With the strong commitment of the national community, namely in the test campaign carried out between March 4 and June 21, 2022, the implementation of release 6.0 will take place on July 2, 2022. This campaign includes connectivity tests to T2S through the new way of accessing the *Eurosystem* platforms, the *Eurosystem Single Market Infrastructure Gateway* (ESMIG), as well as tests of the *Non-Repudiation of Origin* (NRO) functionality. The ongoing activity on the assignment of new *roles* to the users of the T2S participants was also highlighted an essential activity so that there are no impacts after the implementation of release 6.0 in the production environment.

2.2. Developments in TARGET Services

Banco de Portugal presented the planning of the activities implementing of the development in TARGET services project, with a special focus on those that are essential to the entry into production, scheduled for November 21, 2022.

In addition to the adaptation activities in the legal and operational areas (scheduled until the end of September), the connectivity tests should end by the end of July, the user testing is ongoing until the end of September and the migration activities will take place until the end of October.

Banco de Portugal completed in May all training activities and all the materials used are available at its web *site*¹.

2.3. ECMS Project

Banco de Portugal made a presentation on the status of the ECMS project, highlighting the main activities underway and planned for the short term and involving the participation of the national community stakeholders.

¹ Download from *Sessões de esclarecimento* at: <https://www.bportugal.pt/page/target-services?mlid=3297>



Of note is the start of training by Banco de Portugal at the end of 2022 and the start of community tests from February 2023.

ECMS *go-live* is scheduled for November 20, 2023.

3. Presentation of DIMCG (Debt Issuance Market Contact Group) Advisory Report

ECB published, on December 20, 2021, the DIMCG (Debt Issuance Market Contact Group) advisory report². BdP presented the DIMCG report to the Portuguese community (AMI-SeCo NSG-PT), based on the DIMCG slide-deck elaborated by the ECB.

After the presentation, we launched a discussion with three questions, namely (i) whether they have already heard about the DIMCG work, (ii) what feedback they could provide us regarding the harmonisation areas and the DIMCG recommendations and (iii) if they were aware of any initiative to on-board the DIMCG recommendations.

The Portuguese community took note of the DIMCG report and asked some questions regarding two harmonisation areas: Settlement cycle and Investor Identification. Also, one question was raised about the costs of debt issuance (Pillar I).

Another member asked about whether the initiative of a central infrastructure would be put again under discussion in the near future, and it was answered that according to the report, in particular the last sentence in the executive summary, one may conclude that that discussion would be difficult to happen in the near future.

Nevertheless, the Portuguese community were silent regarding the awareness of any initiatives ongoing or envisaged to accommodate the DIMCG recommendations.

4. Report of the *Task Force of Settlement Discipline*

The Caixa Central de Crédito Agrícola Mútuo representative, who coordinates this Task Force, summarized the work of the TF of Settlement Discipline. Three meetings were held and the next meeting is scheduled for the September 20. The Task Force participants made efforts to harmonize the information necessary in the securities transfer processes, namely, in the detail of the information to be provided and agreement of dates for settlement. In cases involving inheritance, there is still some disarticulation, but less than that seen at the time of the first meeting.

The processing of the imputed penalties is being carried out without tax incidence.

² Available at <https://www.ecb.europa.eu/pub/pdf/other/ecb.advisoryreportdebtissuancedistributionEU202112~3da04b818a.en.pdf>



In accordance with the provisions of the 2022 State Budget, in the case of transfer of securities between credit institutions or financial companies, the entity from which the securities are transferred must indicate, whenever possible, to the entity that receives them, the acquisition date and the historical acquisition value of the transferred securities. Thus, it is no longer necessary to request authorization from the client to provide that information, so the available draft will have to be revised, with a view to sending a new version before the next meeting.

5. **Feedback and Questions**

Participants in the meeting did not raise issues about the presentations made.

6. **Other business**

Banco de Portugal made a brief presentation on the main conclusions of the review of the CSD *adaptation plans* and of the SCoRE monitoring exercise for the first half of 2022. The report of this exercise was, in the meantime, made available on the ECB's website and the corresponding link was sent to participants in the NSG-PT³.

Following this intervention, Euronext Securities Porto recalled that the Euronext Group is developing a common platform for the handling of *corporate actions*.

The next AMI-SeCo NSG-PT meeting will be held, before the go-live of the new TARGET services, in early November 2022

³ <https://www.ecb.europa.eu/paym/integration/collateral/implementation/html/index.en.html>