

MANDATE OF THE T2S CROSS-BORDER MARKET PRACTICES SUB-GROUP (XMAP)

1. Preamble

The T2S set-up allows for flexibility in the T2S markets' adaptation process, therefore market participants have to make choices when it comes to the implementation of their processes and practices with T2S. However, the decisions made at a local level on the use of T2S functionality may impact other CSDs and CSD Participants. While these decisions might be justified at national level and supported by the local market, they might cause complexities and barriers for cross-border business.

Based on the Task Force on adaptation to cross-CSD settlement in T2S (TFAX) report, the T2S Harmonisation Steering Group (HSG) identified and the T2S Advisory Group agreed, on the need for a HSG sub-structure in order to continue the analysis on selected issues and to assess new potential issues occurring as the result of the market's adaptation to T2S.

2. Mandate

2.1 Tasks

The Harmonisation Steering Group mandates the Cross-Border Market Practices Sub-Group (XMAP) with the following tasks:

1. To analyse known or potential issues with respect to the impact of existing and diverging market practices/rules on cross-border settlement efficiency in T2S.
2. To analyse, upon request from the HSG other issues with the aim to determine the impact on cross-border settlement efficiency in T2S.
3. To answer requests from other T2S structures (such as the Change Review Group, CSD Steering Group) and to inform the HSG about these requests.
4. To propose T2S best market practices to the HSG regarding the above mentioned topics. The results shall be documented in a format deemed appropriate by the Sub-Group.

5. To potentially propose Change Requests for subsequent T2S releases to the relevant forums, in order to address the above mentioned issues.

The analysis of the above mentioned topics may require fact finding exercises with individual T2S markets. These may be conducted via interaction with market participants or via the NUGs.

The outcome of the Sub-Group analyses should represent the consensus of its members whereas the final validation of proposed T2S best market practices is the responsibility of the HSG.

The Chairperson of the Sub-Group will report to the HSG on a regular basis. The Cross-Border Market Practices Sub-Group can escalate issues to the HSG.

2.2 Expiry

The mandate of the Cross-Border Market Practices Sub-Group runs for the duration of the HSG and expires with the mandate of the HSG.

3. Composition

3.1 Chairperson

The HSG shall appoint the Chairperson of the Cross-Border Market Practices Sub-Group. As a rule, the Chairperson shall be a T2S Programme Office member. The Cross-Border Market Practices Sub-Group Chairperson shall be entitled to designate an alternate to replace him/her in exceptional circumstances.

The Cross-Border Market Practices Sub-Group Chairperson shall have the following tasks and responsibilities:

- determine the frequency, format and agenda of the meetings;
- conduct the Cross-Border Market Practices Sub-Group meetings;
- invite external experts and/or members of the T2S Team or the 4CB to the Cross-Border Market Practices Sub-Group meetings on a specific topic;
- report to the HSG;
- answer to requests from other T2S structures (where relevant);
- represent the group in liaising with other relevant European bodies and initiatives.

3.2 Secretary

The Secretary shall be a member of the T2S Programme Office member, designated by the Cross-Border Market Practices Sub-Group 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 Cross-Border Market Practices Sub-Group meetings;
- draft summaries of the meetings;
- support the Chairperson in preparations for reporting to the HSG;
- support the Chairperson in preparing answers to requests from other T2S structures (where relevant).

3.3 Members

Membership in the Cross-Border Market Practices Sub-Group is open to all stakeholders from T2S markets. Preference will be given to the participants of the Task Force on adaptation to cross-CSD settlement in T2S. Additional members shall be appointed by the HSG, upon proposal from the Cross-Border Market Practices Sub-Group Chairperson and on the basis of suggestions by individual HSG members.

The members of the Cross-Border Market Practices Sub-Group shall:

- have an appropriate expertise in post-trade arrangements and processes;
- have very good knowledge of the T2S specification documents;
- be able to initiate actions and mobilise resources in order to contribute to the T2S harmonisation goals.

3.4 Participation

Participants in the Cross-Border Market Practices Sub-Group shall provide adequate resources for achieving progress within a short time period. Members can be replaced by an alternate in exceptional circumstances. Such alternates must be notified to the Secretary sufficiently in advance.

When required, additional experts from the members' or other institutions or industry associations can be invited by the Chairperson to attend XMAP meetings on a non-permanent basis. XMAP members can propose participation of specific persons to the Chairperson.

3.5 Reporting

The Cross-Border Market Practices Sub-Group reports regularly to the HSG.

4. Working procedures

4.1 Meetings

The Sub-Group should meet as regularly as required to fulfil its mandate and upon invitation of its Chairperson. The first meeting of the Sub-Group shall take place as soon as possible after its constitution. Ad-hoc meetings on issues of individual domestic markets could be organised. The use of ad-hoc workshops and drafting teams can also be envisaged. When considered feasible, written procedures and telephone conferences may be organised.

4.2 Deliverables

The Cross-Border Market Practices Sub-Group shall aim at working in consensus. If considered feasible, written procedures may be applied.

4.3 Interaction and Information Exchange

The Sub-Group will report to the HSG on a regular basis. The Sub-Group will present its outcome to the HSG and follow its guidance in its activities.

The Sub-Group will also answer to requests from other T2S structures (such as the Change Review Group, CSD Steering Group) and inform the HSG about these requests.

The Sub-Group may decide to issue fact-finding mini-consultations or questionnaires and involve NUGs on dedicated topics in order to receive comprehensive information about the T2S markets' choices with respect to adaptation to T2S.

4.4 Transparency

All relevant documentation and information shall be made available 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. The members and invited experts may not disclose such information to the public.