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**THE EUROPEAN CENTRAL SECURITIES
DEPOSITORIES ASSOCIATION'S SECOND ANNUAL
STATUS REPORT RELATING TO ITS STANDARDS FOR
THE REMOVAL OF GIOVANNINI BARRIERS 4 AND 7**

July 2006



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Executive Summary

Giovannini and ECSDA's Response

This first response from ECSDA one year after publication of the second Giovannini report was released in April 2004 and addressed two of the three barriers, namely barrier 7 relating to operating hours and barrier 4 relating to settlement finality.

ECSDA agreed 10 Standards, the implementation of which would overcome these barriers, targeted for implementation at various times between the release of the report and the end of April 2005. Although there was a high degree of compliance by ECSDA members for some of the standards, others only had 50% of CSDs meeting the targets and the report noted that there would be considerable change over the next 12 months.

A status report was issued one year later and this document identifies progress in the last 12 months and documents why some standards are still to be met. Importantly in January 2006 ECSDA and CEECSDA merged meaning that the standards will now be adopted by 35 rather than 17 CSDs. This will have a huge impact on the efficiency of the markets once all standards have been introduced.

To allow for the fact that many of the new countries were previously outside the direct discussions of these standards this paper retains statistics for the previous 17 participants as well as for the new, wider set of members.

Table 1 shows that of the original 17 parties to the standard there is now, on average, an **85.62%** adherence to the standards and if planned implementation is included this jumps to **92.16%**. Whilst this means 8% still needs implementation this is a huge step forward from the 80.39% at the time the report was published and has significantly reduced the cross border barriers relating to opening hours and finality. A full list of adherence by the 17 (I)CSDs can be found in Appendix 3.



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<u>Standard¹</u>	<u>% of (I)CSDs who met the standard at the time of the report</u>	<u>% of (I)CSDs who meet the standard now</u>	<u>% of (I) CSDs who meet the standard now or who have an agreed implementation timetable</u>
1	64.71	76.47	82.35
2	94.12	94.12	100.00
4 ²	94.12	100.00	100.00
5 (start time)	70.59	76.47	82.35
5 (finish time)	64.71	70.59	100.00
7	100.00	100.00	100.00
8	100.00	100.00	100.00
9	41.18	58.82	70.59
10	94.12	94.12	94.12
Average	80.39	85.62	92.16

Table 1: ECSDA Adherence to standards

Next year, the ECSDA will report on the adherence of 35 (I)CSDs. The reason for waiting a year is to allow new members who had not been part of the original discussions to have time to analyse the standards and debate changes with their markets. This will be a key issue for 2006. Consequently, this paper only includes reasons for non adherence from the original 17 participants.

The key barrier in terms of time to implementation is demand from certain local agents who do not wish to change current practice if they partake in little cross border activity. Importantly, all (I)CSDs report a willingness of all markets to debate the issue but that the main issue is the prioritisation of change over other initiatives currently being worked on. As

¹ A copy of the standards can be found in Appendix 1



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will be seen in the more detailed section of this update this is an issue that the (I)CSDs are working closely with the markets to overcome.

A second key issue to be addressed before the full removal of the barrier can be achieved is that whilst the standards are beginning to work very well for the (I)CSD of a given security, it is clear that investors who go through an intermediary, especially across borders, do not always have consistent opening hours as this is dependent on the intermediary. In the next year the ECSDA will investigate this issue and look to instigate some standards in this area.

At this stage the ECSDA do not see any key issues for the CESAME committee to take into account as, so far, all market participants are willing to debate change and acknowledge the benefits that change will bring especially in a cross border context.

² Standards 3 and 6 are not included in the table as standard 3 refers to a case which has not occurred since the report was published and standard 6 is non measurable.



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Introduction

This document focuses on updating the market on progress relating to the 10 standards announced by ECSDA in April 2004. The paper is split into two sections, the first addressing progress by (D)CSDs on the standards to date and the second on changes to information announced in the first report.

Implementation of the Standards relating to the Settlement Barriers

The Giovannini report noted two separate barriers (4 and 7) regarding settlement and the ability for investors to move financial instruments and / or cash across borders in relation to their securities business. The ECSDA felt it was appropriate to look at the two barriers at the same time as they are implicitly linked.

Since the report was published three main issues have been identified that have affected the speed in which the standards will be implemented:

1. TARGET2. Now that the TARGET2 requirements are known and the timetable agreed, markets are developing their implementation plans. A number of market participants have indicated that any change in timetables etc should be linked to any required changes for TARGET2 to ensure the best cost / benefit ratio.
2. Mergers. The Finnish and Swedish CSDs as well as those in the Euroclear Group are now looking at plans for implementation of harmonisation and consolidation due to mergers. Markets have clearly stated they do not wish to migrate twice and so are looking for the standards to be delivered as part of the consolidated systems.
3. ECSDA / CEECSDA merger. In January 2006 ECSDA and CEECSDA merged creating a truly pan European organisation. Consequently, the ECSDA now consists of a large number of members who were not involved in the original discussions on the standards and have not yet discussed the standards with its own clients. It is therefore expected that these new ECSDA members will initiate the standards at a later date



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and, consequently, the ECSDA as a whole will set new target deadlines for the standards.

Barrier 7 – Opening Days and Timetables

The Giovannini Committee considered the most important barrier to eliminate was barrier 7 and, on initial inspection, this looks perhaps one of the easiest to solve.

Barrier 7

‘Operating hours and settlement deadlines should be harmonised, using TARGET hours as the benchmark. ECSDA should take the lead in this initiative, in close co-operation with the ESCB. This barrier should be removed within a period of two years from the initiation of the project.’

This is the number 1 priority identified by the Giovannini report.

Opening Days - Proposed Standards and implementation plans

Standard 1

All SSS who offer settlement in Euros should be open for Euro settlement for all types of financial instruments eligible in that SSS at least on all TARGET opening days.

Target for implementation was end 2004.

In the initial report it was reported that 6 CSDs did not currently meet the standard and as of today 4 CSDs had still to implement the standards. For those 4 CSDs the following should be noted:



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APK³ (equities) – The current status is that Finland does not meet standard 1. In Finland, there are currently 5 TARGET days that are local banking holidays:

- Epiphany, 6th of January (Friday in 2006)
- Ascension Day, 25th of May 2006 (always a Thursday)
- Mid summer eve, 23rd of June 2006 (always a Friday)
- Independence day, 6th of December (Wednesday in 2006)
- Christmas eve, 24th of December (Sunday in 2006)

In consultation with the market many banks were concerned that extra opening days would mean that the banks (and not only their custody departments) should be open on all TARGET days as well with needed services for cash liquidity transfers.

Feedback, in general, was that APK's participants are not willing to implement the ECSDA standard 1. The major obstacle for participants is extra cost and they have difficulties to see profitable business case with proposed changes.

Consequently, at the moment it seems that Finland will not be able to follow standard 1 before the next banking holiday when TARGET is open in Finland: Independence day, which is the 6th of December 2006 since the participants are not willing to be open on all TARGET days without the profitable business case. If the issue can be agreed with the participants, it probably needs 6 months transitional period in order to finalise the issue with Labour unions. So the earliest possible implementation date at the moment seems to be during **2007**.

HCSD (fixed income and equities) – The Greek market (including the Athens Stock Exchange, the CSD and the Account Operators) follows, for the time being, the orthodox calendar instead of the TARGET one. Taking also into account the small proportion of cross-

³ A full list of ECSDA members participating to this report and their abbreviations as used in this report can be found in Appendix 2.



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border settlement activity in the market, the demand for any change is small. However, it is the CSD's management intention to communicate the standard to the market participants. In this respect the CSD has created a market implementation group to discuss such issues. This group should meet for the first time during Q3 2006.

VP – (euros) –VP provides settlement in euro via central bank money. As in other markets where securities trading activity follow domestic banking calendars and not the TARGET calendar, domestic market participants see no market demand for introducing extra opening days merely for settlement purposes and thus are concerned on cost efficiency. VP is currently working with market participants on possible methods of compliance that will allow a sub-segment of market participants access to instruct securities transactions for settlement in euro via VP on all TARGET opening days. So far, VP has succeeded in finding a solution that solves the legal constraints described in the first ECSDA report.

VPS – VPS plan to meet the standard by the end of 2006 although it should be noted that discussions are continuing with the central bank and the market.

Standard 2

All SSS who offer settlement in a currency should be open for settlement in that currency for all types of financial instruments eligible in that SSS at least on all relevant currency-opening days.

Target for implementation was end 2004.

In the initial report it was reported that 1 CSD did not currently meet the standard. For that CSD the following should be noted:

ENL (for DKK, GBP) – Currently, settlement in foreign currency is used for stock exchange trade settlement and domestic settlement (mostly redelivery following stock exchange settlement) only. The cash leg settles in a domestic commercial bank (KasBank).



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It is planned that early 2008 ENL's settlement process is consolidated with that of Euroclear Belgium and Euroclear France. Furthermore, it is decided that stock exchange trades quoted in foreign currencies will be converted and settled in Euro. This makes the business case for change extremely difficult and one might not expect that enhancements on the current system will be made.

Therefore, it is likely that until early 2008 Euroclear Nederland will continue the current practice (open on all TARGET days for euro and non-euro settlement) and will not adapt to the standard 2. After the consolidation -as mentioned above- Euroclear Nederland is not anymore subject to the standard 2 due to the removal of settlement in foreign currencies.

Standard 3

SSS introducing settlement in a new currency after 2004 should adapt to the relevant opening days immediately upon the new currency being available in the SSS.

Given the nature of this standard it will not be possible to determine its success until a CSD introduces settlement in a new currency.



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Intra Day Settlement Hours – Proposed standards and Implementation plans

Standard 4

Settlement systems should be open for activities other than settlement activity (i.e. reporting, enquiries, reconciliation etc.) as long as possible from a cost efficient point of view, but at least from the currency opening time (07.00CET for euros) to the end of the currency day (18.00 CET for euros).

All of the original 17 (I)CSDs members meet this Standard. ECSDA suggest that it should be implemented by other SSS as soon as possible but later than **end 2005**.

Standard 5

All European SSS should start DvP settlement by the opening time of the relevant European currency's banking system and continue to offer DvP settlement until, at a minimum, two hours before the banking system closes. (For example, all settlement systems in the Euro Zone should start DvP settlement for Euros at least by 07:00 CET and stop at or after 16:00 CET).

Target for implementation was end 2004.

This standard can be split into two sections. One relating to meeting the opening time within the standard and one on the closing time:

1. Opening time

In the initial report it was reported that 5 CSDs did not currently meet this part of the standard. Currently 4 CSDs do not meet the standard and for those 4 CSDs the following should be noted:

APK (equities) – In APK's HEXClear's pre-funded integrated SSS/PS model the starting time for DvP settlement is, in practice, related to the starting time of payment banks (who transfer



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the cash/liquidity to the SSS). This means, for example, that in APK that even if HEXClear would be open for DvP settlement when TARGET opens, existing local market practice would still determine that DvP settlement would not start before payment banks are open since participants do not pre fund the cash in the SSS overnight.

Although no technical barriers have been identified to implement the standards, market discussions are still needed due to the cash settlement process described above. The current status is that DVP settlement starts on 9:00 CET by the optimisation batch.

The first settlement of the day is by an optimisation batch process followed by RTGS and this is an essential feature of the Finnish market where end investors accounts are held in APK's Centralised Register and settlement takes place between the end investors' accounts.

Typically, more than 95 % of the daily volumes are settled in that first batch. To reach these rates it is crucial for participants that banks are open at least 30 minutes before the first optimisation batch in order to transfer the needed cash into settlement system. This means that if the settlement system should be open for DvP at 7:00 CET the banks should be open for their customers about half an hour before i.e. 6:30 a.m. CET. This has to be clarified further with the participants.

HCSD – Currently the HCSD has the ability to perform DvP Settlement from 7 .00 to 16.00 CET. The HCSD is also moving from commercial bank to Central Bank Money for settlement. The project is going to be completed by the end of Q3 2006.

IBER (equities) - On 15th February 2006, Iberclear held an open session in order to advise its participants, regulators and markets about the current status of the ECSDA standards.

In relation to ECSDA standards 5 and 9 (i.e. real-time DvP settlement or at least a batch DvP procedure per hour from 7 am to 4 pm), and following detailed discussions, it was agreed that conditions were favourable for the implementation of standards 5 and 9 for the SCLV



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platform. Therefore system changes will be made starting with a new settlement cycle being added during Q1 2007.

INTER – Interbolsa’s DvP settlement systems are open from 07:00 CET, but only for collateral operations with the Central Bank. The start of DvP settlement operations for other transactions is closely related to the opening hours of the settlement participants and of the financial markets (09h30 CET)⁴.

Interbolsa settles, using DVP, some of the OTC operations (in real time) and all stock exchange operations.

The implementation of the opening at 07:00 is operationally feasible but it does not seem practical due to the inexistent market activity in the early hours

Interbolsa has launched a working program aimed at the analysis of the implementation of this standard, regarding real time DVP settlement, including, during the 1st half of 2006, meetings with market participants.

VP (euros) – VP has decided to apply for access to RTGS-settlement facilities via TARGET2, thus allowing VP to offer access to DvP-settlement in accordance with standard 5 and 9 as soon as this facility is available via the TARGET2 platform. Currently, DvP-settlement against cash in euro and danske kroner (the Danish domestic currency) opens at 6pm on S-1 (via three overnight settlement batches). Night-time settlement of transactions in euro is based on dedicated cash lines (central bank money) in domestic currency and a subsequent exchange of euro against danske kroner on S (via a Payment versus Payment batch transfer at 9:20 am). Transactions in euro in daytime are settled via a DvP-batch at 1.35 pm.

⁴ Note that Interbolsa is located in the WET time zone that is one hour behind CET.



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Consequently from the CSDs who did not meet the requirement for starting at the relevant time none were able to implement the standard in the last year. The issue of cost benefit analysis, particularly of market participants means that the implementation will be delayed.

2. Closing time

In the initial report it was reported that 6 CSDs did not currently meet this part of the standard. Today, 5 CSDs do not meet the standard and for those 5 CSDs the following should be noted:

EBE – Currently EBE starts DVP settlement at 06:00 and stops it at 15:30 CET. Consultation with the market on this topic is still on-going.

It is planned that in 2008 EBE's settlement process is consolidated with that of ENL's and EF's. This could make the business case for change difficult and one might not expect that enhancements on the current system will be made.

Obviously, within the scope of the harmonisation and reconciliation process of Euroclear this standard will be recognised. Consequently, EBE will definitely meet the standard in 2008.

ENL - Euroclear Nederland starts DvP settlement for over-the-counter trades (OTC) on Settlement day -1 at 20.30 CET and stopped on S at 16.30 CET. However, although stock exchange trade (SE) settlement starts at the same time as OTC trade settlement, the closing time for SE settlement recently moved from 8.30 CET to 11.00 CET.

It is planned that early 2008 ENL's settlement process is consolidated with that of Euroclear Belgium and Euroclear France. The current harmonisation proposal for the three markets recognises the recommendation in standard 4.



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However, the Dutch market -not rejecting the standard in principle- requested a discussion about the settlement window in a wider context also recognising other dead lines in the market (i.e. closing of elections) and aspects like liquidity management and settlement discipline. Final views are expected in the course of 2006.

IBER (equities) - IBERCLEAR is planning to add an extra batch procedure in Q1 2007 at a later hour than the final current procedure (e.g.16:30) in order to settle stock loans and Stock Exchange transactions aiming at facilitating securities deliveries on intended settlement date.

VP (euros) – VP has decided to apply for access to RTGS-settlement facilities via TARGET2, thus allowing VP to offer access to DvP-settlement in accordance with standard 5 and 9 as soon as this facility is available via the TARGET2-platform.

VPS – VPS plan to meet the standard by the end of 2007. It should be noted that NOK is the relevant currency in the Norwegian market. For Euro settlement, VPS is dependent on TARGET through the Norwegian Central Bank

Standard 6

For maximum efficiency and liquidity, participants should be encouraged to settle as early as possible in the morning.

How this is to be implemented is still under discussion, but a number of ideas have already been floated including:

- Lower tariffs for earlier settlement;
- Settlement fines;
- Automated stock borrowing and lending solutions;
- Agreed market practice;
- Linking of transactions;
- Providing the ability for transactions to be partialled or split; and



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- Optimisation processes such as netting processes within the SSS.

Monte Titoli, in particular, is looking to address this issue by considering the possibility to introduce economic incentives to be allocated to the ones that fulfil their settlement obligations already in the overnight net cycle. Monte Titoli has been empowered to introduce penalties for late settlement in the circumstance the current high rate of settled trades should decrease heavily.

Pre banking day Settlement – Proposed standards and implementation plans

Standard 7

No next value date settlement should start before the relevant banking system closes. i.e. in the Euro zone no overnight batch should start until TARGET closes (currently 18:00 CET).

and

Standard 8

No settlement processing should occur between settlement systems before both are processing the same settlement value date.

Target for implementation was end 2004.

All of the original 17 CSDs abide by these standards today.



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Barrier 4 – Intra Day Finality

The second of the two barriers initially addressed by ECSDA was that of barrier 4. This was considered to be only partially in the control of the CSDs and, as noted below, the most important input in relation to finality will be needed from ESCB/CESR. However, ECSDA identified and committed itself two Standards that will contribute to remove barrier 4.

Barrier 4

'Intra-day settlement finality in all links between settlement systems within the EU should be guaranteed. ECSDA should co-ordinate necessary measures. These measures should be drawn up in close co-operation with the ESCB/CESR Joint Working Group. This barrier should be removed within a period of three months of removing Barriers 7 and 1.'

This is the number 3 priority identified by the Giovannini report.

Intraday Settlement Finality - Proposed standards and Implementation plans

Standard 9

SSS should support efficient cross-border settlement in Europe by providing in real time or by at least one settlement cycle per hour during the period identified in standard 5.

Target for implementation is April 2005.

By definition, most of those CSDs that currently do not meet Standard 5 cannot meet Standard 9 either and the implementation plans above equally apply here.

IBER (equities) – After February 2006's open session Iberclear will start work on the implementation of this standard. An additional settlement cycle for the SCLV platform will be added during Q1 2007. (see Standard 5 closing time).



HCSD – Currently, HCS D has not developed cross-border DVP links (but does have a FOP link with Cyprus). Agreement on standard 9 will follow the development of cross-border DVP links and the final agreement, locally, on standard 5.

OeKB – OeKB has updated its system in January 2006 to meet this standard.

VPS – VPS monitor this topic and consult the market continuously. No implementation date has been set yet.

Standard 10

In the case of a transaction being unable to settle at the first attempt on a given settlement day, all SSS should continue to try to settle the transaction as frequently as defined in standard 9 at least until the end of this settlement day as defined in Standard 5.

Target for implementation is April 2005.

Although currently all ECSDA members meet this standard technically, not all CSDs recycle all types (domestic and cross border) of transactions to all settlement process. In particular, transactions not settled in any pre banking day settlement should be submitted automatically to daylight processing. ECSDA will monitor this situation and report on any members not applying the standard at a later date. It was proposed that all SSS should meet this standard **by April 2005.**

To progress the finality initiative in a structured approach the group agreed to take the following steps:

1. Agree a standard for recycling cross border transactions within any given day (Standard 10) both at SSS and Clearing level.



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2. Agree a harmonised standard for domestic markets. This will be particularly difficult because of system capacity limitations, functional constraints and because a distinction is often made between official trades and OTC transactions.
3. Harmonise steps 1 and 2, which will also mean that solutions for cross border or cross system transaction management (market claims etc) will be necessary.
4. Agree a standard for cross border Stock Exchange Transactions so that cross border settlement can really be looked at as equivalent to domestic settlement.

Currently, no change has been made in this area apart from standard 10 as described above but Working Group 3 of ECSDA plan to address step 2 of the issue in due course.

Update of information since April 2004

In relation to standard 10, the following table has been updated since the release of the report:

<u>Name of CSD</u>	<u>Number of days after Settlement Date that a matched domestic transaction is recycled.</u>
APK	50 Business Days
CBF	40 business days
CBL	90 business days
CT	Indefinitely
EB	Market Dependant
EBE	Stock Exchange Transactions are cancelled at the end of the intended settlement day due to Continuous Net Settlement with the CCP. OTC transactions are recycled for 30 business days.
EF	Between 0 and 30 Business Days depending upon the transaction type
ENL	Stock Exchange Transactions are cancelled at the end of the intended settlement day due to Continuous Net Settlement with the CCP. OTC



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	transactions are recycled for 10 business days.
HCS D	Indefinitely
IBER	Fixed Income Transactions are cancelled at the end of the intended settlement day. For equities, buy in procedures and collateral processes ensure settlement always occurs.
INTER	Guaranteed SE trades are recycled for 7 days and non-guaranteed are cancelled at the end of the settlement day. Matched RTGS OTC instructions are recycled for 20 working days after the first settlement attempt.
MT	Non guaranteed market trades (BIt and TLX): buy in can occur within 30 days depending on the initiative of participants involved; after this period, the transaction is cancelled; Guaranteed market trades (BIt): buy in will take effect 7 days after the intended settlement date; Non guaranteed Government bonds market trades (MTS): transaction is cancelled 5 days after the intended settlement date, without buy in; Guaranteed Government bonds market trades (MTS): buy in will take effect 5 days after the intended settlement date; OTC transactions: recycling may occur up to 30 days, upon the decision of the participants involved. After this period the transaction is cancelled
OeKB	20 Business Days (for OTC transactions)
SIS	20 Business Days
VP	5 Business Days
VPC	0 Business Days in settlement system and 20 business days for instruction entered into the pre-match system
VPS	For intra day settlement, VPS try to settle the transaction in both settlement cycles. After the settlement day VPS try to settle the transaction 5 more business days.



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Appendix 1 – Table of Agreed Standards

	<u>Standard</u>	<u>Target Date</u>
1	<i>All SSS who offer settlement in Euros should be open for Euro settlement for all types of financial instruments eligible in that SSS at least on all TARGET opening days.</i>	<i>End 2004</i>
2	<i>All SSS who offer settlement in a currency should be open for settlement in that currency for all types of financial instruments eligible in that SSS at least on all relevant currency-opening days.</i>	<i>End 2004</i>
3	<i>SSS introducing settlement in a new currency after 2004 should adapt to the relevant opening days immediately upon the new currency being available in the SSS.</i>	<i>N/A</i>
4	<i>Settlement systems should be open for activities other than settlement activity (i.e. reporting, enquiries, reconciliation etc.) as long as possible from a cost efficient point of view, but <u>at least</u> from the currency opening time (07.00CET for euros) to the end of the currency day (18.00 CET for euros).</i>	<i>End 2004</i>
5	<i>All European SSS should start DvP settlement by the opening time of the relevant European currency's banking system and continue to offer DvP settlement until, at a minimum, two hours before the banking system closes. (For example, all settlement systems in the Euro Zone should start DvP settlement for Euros by 07:00 CET and stop at or after 16:00 CET).</i>	<i>April 2005</i>



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6	<i>For maximum efficiency and liquidity, participants should be encouraged to settle as early as possible in the morning.</i>	<i>Ongoing monitoring and action</i>
7	<i>No next value date settlement should start before the relevant banking system closes. (i.e. in the Euro zone no overnight batch should start until TARGET closes, currently 18:00 CET.)</i>	<i>End 2004</i>
8	<i>No settlement processing should occur between settlement systems before <u>both</u> are processing the same settlement value date.</i>	<i>End 2004</i>
9	<i>SSS should support efficient cross-border settlement in Europe by providing intraday finality in real time or by at least one settlement cycle per hour during the period identified in standard 5.</i>	<i>April 2005</i>
10	<i>In the case of a transaction being unable to settle at the first attempt on a given settlement day, all SSS should continue to try to settle the transaction as frequently as defined in standard 9 at least until the end of this settlement day as defined in Standard 5.</i>	<i>April 2005</i>



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Appendix 2 - Participating ECSDA Members and the abbreviations used in this report

Georg Fink	Austria – OeKB
Elisabeth Karner	Austria – OeKB
Sebastian Isaacs	Belgium – Euroclear Belgium
Rudi de Pauw	Belgium – Euroclear Belgium
Kjeld Christensen	Denmark – VP
Peter Jensen	Denmark – VP
Ana Maria Valdes	Euroclear Bank
Kimmo Koskinen	Finland – APK
Hanna Vainio	Finland – NCSD
Alain Duhamel	France – Euroclear France
Mathias Papenfuß	Germany and Luxemburg – Clearstream
Constantin Antonakis	Greece – HCSD
Vagelis Tsekrekos	Greece – HCSD
Einar Sigurjonsson	Iceland – VBSI
Michael Kempe (Chairman)	Ireland and UK – CREST
Carla Bachechi	Italy – Monte Titoli
Angelo Gilardi	Italy – Monti Titoli
Hans Hengeveld	The Netherlands – Euroclear Netherlands
Katja Goldsworthy	Norway – VPS
Helena Lopes	Portugal – Interbolsa
Mark Jones	Spain – Iberclear
Eva Hellstrom	Sweden – VPC
Martin Trueb	Switzerland – SIS



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Appendix 3 – Adherence to criteria

Standard	APK (equities)	CBF	CBL	CT	EB	EBE	EF	ENL	HCS D	IBER	INTER	MT	OeKB	SIS	VP	VPC	VPS
1	NPID	31/12/2004	✓	✓	✓	✓	✓	✓	NPID	01/05/2004	✓	✓	✓	✓	NPID	✓	End 2006
2	✓	✓	✓	✓	✓	✓	✓	Q2 2008	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Dec-04	✓	✓	✓	✓
5 (start time)	NPID	✓	✓	✓	✓	✓	✓	✓	Q3 2006	NPID	NPID	✓	✓	N/A ⁵	✓	✓	✓
5 (finish time)	✓	✓	✓	✓	✓	Q2 2008	✓	OTC - 01/04/2005 SE - Q2 2008	✓	Q1 2007	✓	✓	Dec-04	✓	Target 2 live date	✓	End 2007
7	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	LT5	✓	✓	✓	✓	Q2 2008	✓	01/04/2005	LT5	LT5	LT5	✓	Jan-06	N/A ⁵	LT5	✓	LT5
10	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NPID

Key: ✓ = Met at time of original report, Green = Met since the time of the report, Orange = Planned to be implemented, Red = Yet to planned or implemented, NPID = No planned implementation date, LT5 = Linked to standard 5.

⁵ SIS do not technically meet this standard but it has been agreed they do not need to