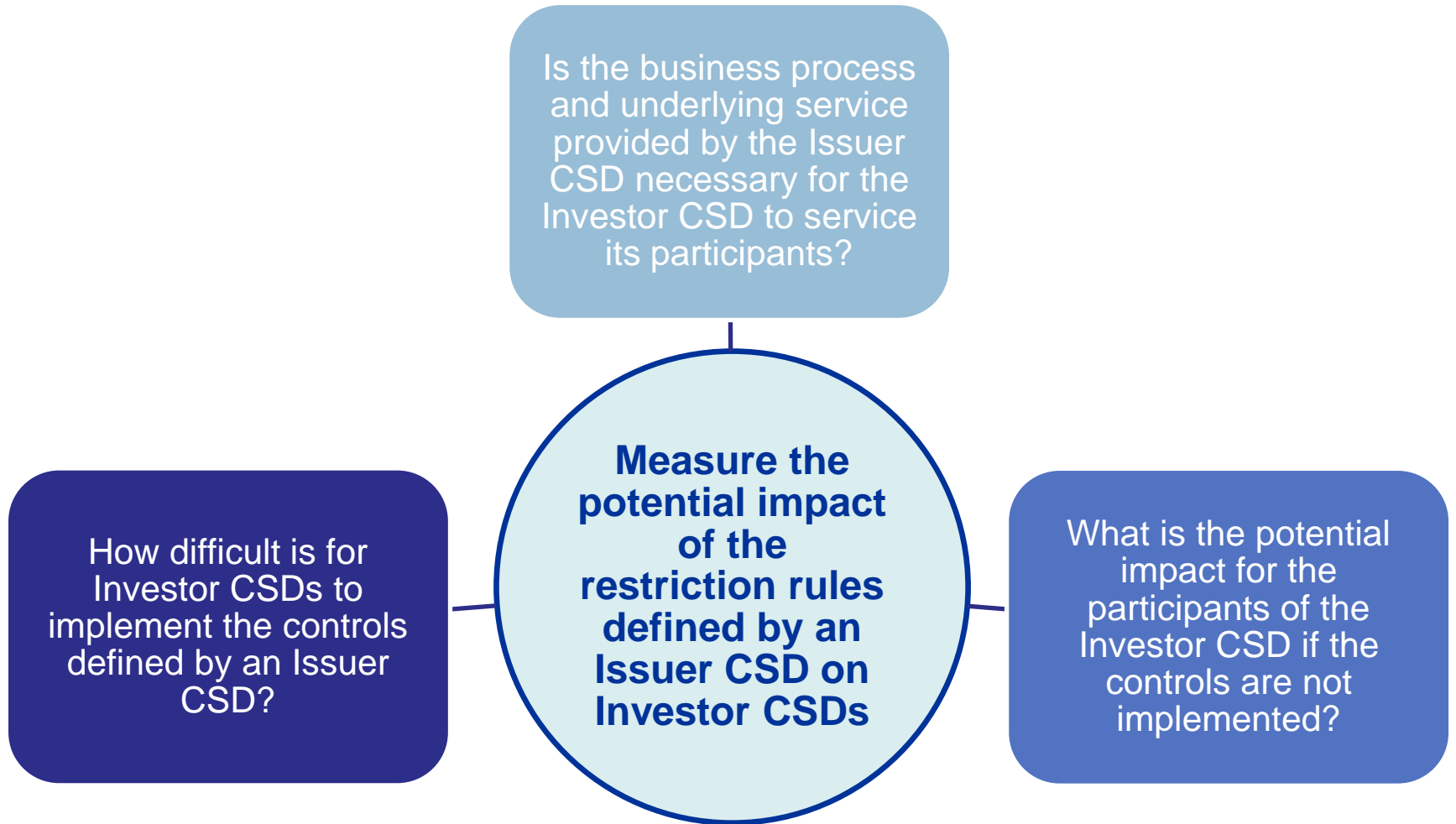


Catalogue of CSDs' Restriction Rules and their Cross-Border Impact Assessment – Review of the Methodology

*2nd AMI-SeCo meeting
4-5 July 2017*

DG-Market Infrastructure and Payments
European Central Bank



Criterion 1 – Character of the service / process

- Possible values: Necessary / Optional

Criterion 2 – Effort of implementing the controls in Investor CSD's own structure

- Possible values: Not available / High / Medium / Low / None

Criterion 3 – Potential impact of not implementing controls in Investor CSD's own structure

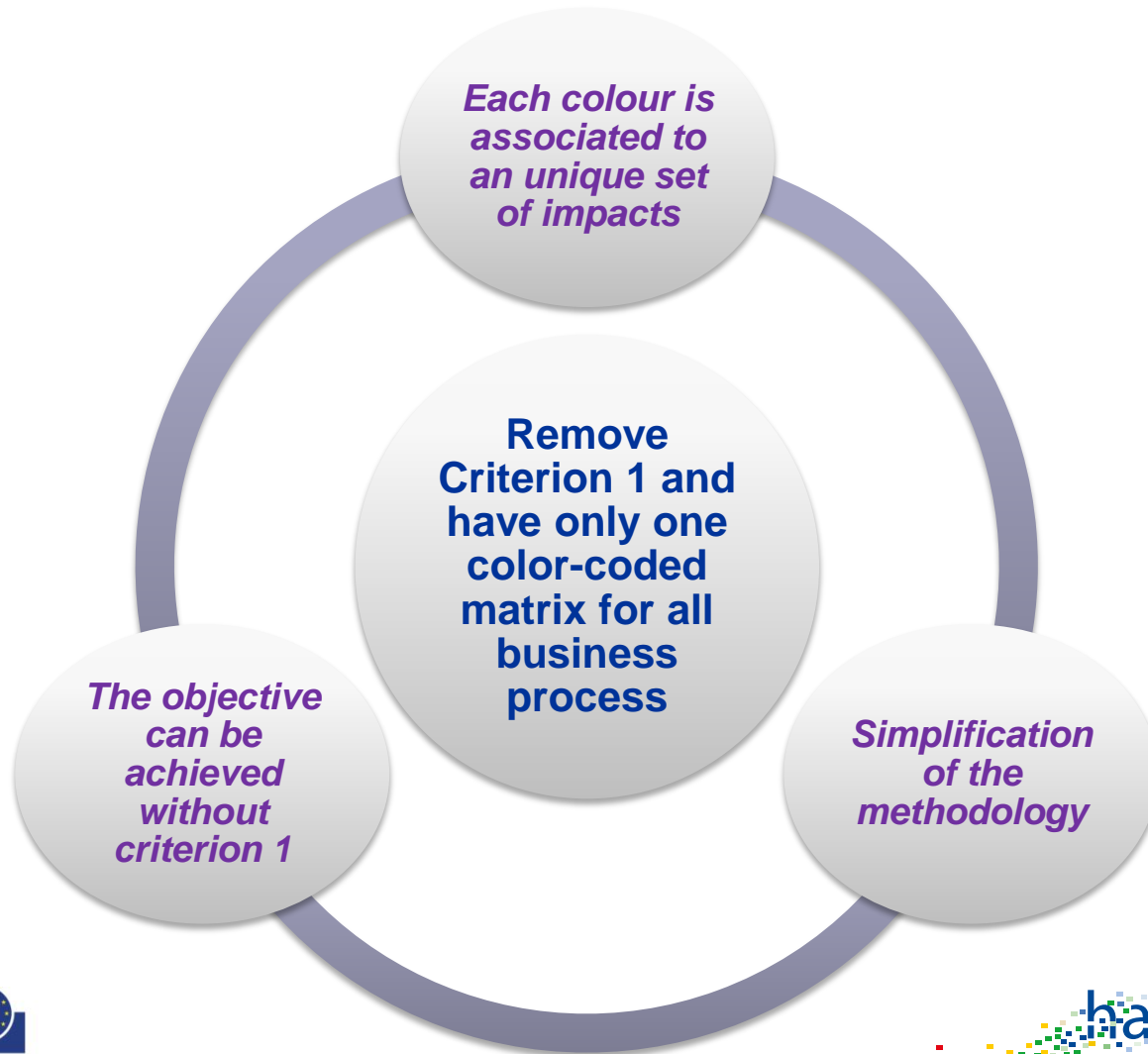
- Possible values: High / Medium / Low / None

Necessary Service or Process		Risk of not implementing controls			
		High	Medium	Low	None
Effort of implementing Controls	Not available				
	High				
	Medium				
	Low				
	None	- (*)	-	-	

(*) Impossible combination

Optional Service or Process		Risk of not implementing controls			
		High	Medium	Low	None
Effort of implementing Controls	Not available				
	High				
	Medium				
	Low				
	None	-	-	-	

Proposal for changing the Methodology



Motivation for updating the current Methodology

The categorisation of services is done at the level of the business process and not at the level of the restriction rules.

**Operational Procedures
Necessary**

Some restriction rules do not have an impact on INV CSDs' settlement flows & their replication by INV CSDs is not necessary, e.g. restrictions used by CSDs to bypass other restriction rules

**Static Data Configuration
Optional**

Some restriction rules reduce the scope of functionalities in T2S as regards the management of securities sub-positions, e.g. some CSDs do not allow segregation of securities positions by blocking and reservation restriction types

On those concrete examples the different color-coded representation based on the "necessary/optional" categorisation could be misleading

harmonisation

Criterion 2 – Effort of implementing the controls in Investor CSD's own structure

- Possible values: Not available / High / Medium / Low / None

Criterion 3 – Potential impact of not implementing controls in Investor CSD's own structure

- Possible values: High / Medium / Low / None

		<i>Risk of not implementing controls</i>			
		High	Medium	Low	None
<i>Effort of implementing Controls</i>	Not available				
	High				
	Medium				
	Low				
	None	- (*)	- (*)	- (*)	

(*) Impossible combination

Not available – High/Medium: In the cases where a process is not available to Investor CSDs due to market access restrictions in the Issuer CSD, the impact on the restriction rules associated to these processes is classified as “High/Medium”.

Not available – Low/None: In the cases where a process is not available to Investor CSDs due to other reasons than market access restrictions in the Issuer CSD, the impact on the restriction rules associated to these processes is classified as “Low/None”.

Thank you for your attention

www.harmonisation.t2s.eu

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