



EUROPEAN CENTRAL BANK

EUROSYSTEM

T2S FRAMEWORK AGREEMENT

SCHEDULE 8 - ANNEX 1 MANDATE OF THE T2S CSG

1. Preamble and Objectives

The Governing Council and the Signatory CSDs agree to establish the CSD Steering Group (T2S CSG) as a governance body according to the T2S Framework Agreement (T2S FA). The T2S CSG discusses all matters of relevance for the Signatory CSDs. The T2S CSG supports the decision-making process in the multilateral T2S Service by providing the Eurosystem with the CSDs' common position on matters of relevance for the Signatory CSDs. The T2S CSG works within the 'Governance' specified in Schedule 8 of the T2S FA.

2. Responsibilities and Tasks

The T2S CSG is responsible for articulating and coordinating the views of the Signatory CSDs within the T2S Governance.

The T2S CSG gives its advice or agrees on a resolution on any topic related to T2S, in particular on:

- any topic brought to the Governing Council that has implications for the T2S FA;
- changes to the T2S FA and its Schedules, in line with the applicable procedures;
- topics of major interest concerning T2S;
- changes to the T2S Scope Defining Set of Documents, in line with the applicable procedures specified in the FA Schedule 8 (Governance) and Schedule 9 (Change and Release Management);
- Change and Release Management, including the prioritisation of Change Requests stemming from Signatory CSDs;
- material subcontracting;
- disputes between the Eurosystem and non-euro area NCBs in T2S;
- any other consultation request of the MIB or the Governing Council;
- crisis management;
- risk, cyber resilience and information security topics;
- operational topics;
- monitoring the T2S Service (in accordance with the Service Level Agreement);
- pricing topics;
- acceptance for testing and go-live; and
- on any matters of relevance in relation to the T2S FA.

On all other matters having an impact on the Signatory CSDs, the T2S CSG is informed about envisaged decisions of the Governing Council or the MIB and the T2S CSG shall be provided with sufficient time to formulate any objections it may have.

Schedule 8 – Annex 1 - Mandate of the T2S CSG

A disagreement between one or more Signatory CSDs and the Eurosystem can be escalated from the working and sub-structure level to the T2S CSG and shall follow the dispute resolution and escalation procedure specified in Article 42 of the T2S FA. The dispute resolution and escalation procedure does not preclude a subsequent Arbitration procedure pursuant to Article 43 of the T2S FA.

The T2S CSG's mandate shall be reviewed every three years. The Mandate of the T2S CSG expires with the replacement of the T2S FA by a new agreement and/or with the termination of the T2S FA by the Parties.

3. Composition and Term

The T2S CSG is composed of:

- T2S CSG Members: each of the Signatory CSDs by its CEO or a member of its managing board;
- T2S CSG Observers:
 - up to six User representatives proposed by the MIB and nominated by the Governing Council for a renewable term of two years, based on applications from the European Banking Federation (EBF), the European Savings Bank Group (ESBG), the European Association of Co- operative Banks (EACB), the Association for Financial Markets in Europe (AFME), and the European Association of Clearing Houses (EACH);
 - the MIB Chairperson and members of the MIB.
 - The T2S CSG Chairperson may invite other observers on an ad-hoc basis (e.g. one representative of the 4CB) and may restrict the participation of observers representing Users on an ad hoc basis. The MIB Chairperson is informed of such decisions in advance.

The T2S CSG Chairperson shall be elected from among the T2S CSG Members by the T2S CSG Members for a renewable term of two years. The T2S CSG Chairperson appoints a highly experienced member of staff of the ECB as T2S CSG Secretary. The T2S CSG Chairperson may designate an alternate to replace the T2S CSG Secretary in exceptional circumstances. The T2S CSG Chairperson may invite additional representatives of the Signatory CSDs to attend in order to support the work of the T2S CSG and the T2S CSG Chairperson.

4. Reporting

The T2S CSG gives its advice and makes resolutions to the MIB as the managing body of T2S, upon invitation or on its own initiative. The MIB establishes procedures to inform other T2S Governance bodies of relevant T2S CSG resolutions and advice. The T2S CSG may send its resolutions directly to the Governing Council if the T2S CSG considers that the General Principles of T2S or other core elements of T2S are at risk. The T2S CSG may seek the advice of the AMI-SeCo.

5. Working Procedures

Detailed working procedures are to be specified in the 'Rules of Procedure' drafted by the T2S CSG and endorsed by the Governing Council.

Any T2S CSG Member may propose that a resolution, advice or a resolution on the work organisation of the T2S CSG is taken by the group. T2S CSG resolutions and advice are subject to a double majority, defined as the simple majority of the Signatory CSDs, provided that they represent at least 75% of securities settlement transactions in T2S.

As a rule, the T2S CSG meets once every quarter. Additional meetings may be called by the T2S CSG Chairperson. The dates of the meetings shall be communicated to T2S CSG Members and observers sufficiently in advance. The agenda of each T2S CSG meeting is approved at the beginning of the meeting. Meeting documentation will be circulated sufficiently in advance of meetings, i.e. at the latest five T2S Settlement Days prior to a meeting unless otherwise agreed by the T2S CSG.

In principle, meetings take place at the ECB's premises. However, meetings may also be held by means of teleconferencing. The ECB provides operational and secretarial support to the T2S CSG.

6. Sub-structures

The T2S CSG may establish sub-structures (technical groups, task forces, workstreams and networks) to support its work if considered necessary.

7. Transparency

All relevant documentation and information shall be made available in a secure workspace, accessible to all T2S CSG Members and Observers.

As part of the transparency principle of T2S, the Mandate of the T2S CSG, the T2S CSG Members and Observers list as well as the T2S CSG resolutions, should be published on the ECB website.