

CSDs: Euroclear Belgium (Belgium), NBB (Belgium), Euroclear Finland (Finland), BOG (Greece), Clearstream Banking Frankfurt (Germany), Euroclear UK & Ireland (UK), Euroclear UK and Ireland Ltd (Ireland), HELEX S.A. (Greece), Malta CSD (Malta), CSDL (Lithuania), CDCR (Cyprus), Estonian CSD (Estonia), Euroclear France (France), Interbolsa (Portugal), ISD (Iceland), LCD (Latvia), Monte Titoli (Italy), NBR (Romania), Euroclear Nederland (Netherlands), OeKB (Austria), CDCP (Slovak Republic), Iberclear (Spain), SIX SIS (Switzerland), VP Securities (Denmark), Euroclear Sweden (Sweden), VPS (Norway), Central Depository SA (Romania)

Date: 22 Jan 2010

SMI Markets: Austria, Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Lebanon, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Romania, Slovak Republic, Spain, Sweden, Switzerland, UK

CMIRR Markets: Austria, Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Norway, Portugal, Romania, Slovak Republic, Spain, Sweden, Switzerland, UK

ECB Publishes Eligibility Criteria for CSDs in T2S

Further to our previous market newsflash, the Governing Council of the European Central Bank (ECB) has adopted five CSD eligibility criteria for TARGET2-Securities (T2S), which are as follows:

- CSDs in T2S should be recognised under Article 10 of the Settlement Finality Directive or, in the case of a non-EEA (European Economic Area) jurisdiction, must operate under a legal and regulatory framework equivalent to the relevant parts of the *acquis communautaire*.
- CSDs in T2S should have been positively assessed by the competent authorities against ESCB/CESR recommendations.
- Any CSD, which wishes to join T2S, must make each security/ISIN for which it is issuer CSD (or technical issuer CSD) available to other CSDs in T2S upon request.
- A CSD in T2S commits to offer to other CSDs in T2S basic custody services on a non-discriminatory basis.
- A CSD in T2S commits towards other CSDs in T2S to carry out its CeBM settlement in T2S if the currency is available in T2S.

These criteria, defined at a level of the basic principles, are a pre-condition for a CSD to join T2S and to remain in T2S. Furthermore, a continuous assessment of the criteria will be implemented and non-fulfilment of these criteria may lead to penalties which are to be specified contractually in the Framework Agreement between the Eurosystem and the participating CSDs.

The T2S Programme Board will need to further specify how these criteria will be implemented. More details are available [here](#).

CSD Risk Impact

Euroclear Belgium (Belgium)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = A+
Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

NBB (Belgium)

CSD Rating: A+
CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk
Current Rating = AAA
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = A
Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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Euroclear Finland (Finland)

CSD Rating: AA-
CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk
Current Rating = AA-
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = A+
Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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BOG (Greece)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Clearstream Banking Frankfurt (Germany)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Euroclear UK & Ireland (UK)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Euroclear UK and Ireland Ltd (Ireland)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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HELEX S.A. (Greece)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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Malta CSD (Malta)

CSD Rating: A-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure

their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

CSDL (Lithuania)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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CDCR (Cyprus)

CSD Rating: A-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = BB

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Estonian CSD (Estonia)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Euroclear France (France)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Interbolsa (Portugal)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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ISD (Iceland)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

LCD (Latvia)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Monte Titoli (Italy)

CSD Rating: AA

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

NBR (Romania)

CSD Rating: A-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Euroclear Nederland (Netherlands)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

OeKB (Austria)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

CDCP (Slovak Republic)

CSD Rating: A-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Iberclear (Spain)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

SIX SIS (Switzerland)

CSD Rating: AA

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

VP Securities (Denmark)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Euroclear Sweden (Sweden)

CSD Rating: AA

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

VPS (Norway)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSDs to T2S is open to operational disruption. Furthermore, the fragmentation of settlement and other services for CSDs in T2S may have an operational risk impact.

Central Depository SA (Romania)

CSD Rating: A-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Market Information Impact

Austria

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Belgium

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Cyprus

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Denmark

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Estonia

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Finland

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France

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Germany

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Greece

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Iceland

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Ireland

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Italy

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Lebanon

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Lithuania

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Luxembourg

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Malta

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Netherlands

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Norway

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Portugal

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Romania

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Slovak Republic

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Spain

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Sweden

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Switzerland

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UK

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Austria

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Belgium

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Cyprus

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Denmark

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Estonia

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Finland

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

France

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Germany

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure

their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Greece

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Iceland

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = BBB

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Ireland

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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Italy

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Latvia

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Lithuania

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Malta

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Netherlands

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Norway

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Portugal

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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Romania

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

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Slovak Republic

Market Rating: BBB

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Spain

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

The linkage of the CSD to T2S may be open to operational disruption, and the fragmentation of settlement and other services for the CSD may have an operational risk impact in terms of end-to-end processing.

Sweden

Market Rating: AA

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

CSDs joining T2S whose settlements will be processed largely or entirely through T2S, will likely decommission their settlement services (part or in whole) impacting their traditional revenue streams. These CSDs may also face competition from their peers in the provision of other services such as custody services. Consequently, there will be an impact on Financial Risk as these CSDs will need to restructure their business models.

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Switzerland

Market Rating: AA

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

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UK

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

The CSD will use T2S for the settlement of Euro currency trades in parallel with its own settlement system for the settlement of domestic currency trades. Financial risk may be impacted if more transactions are settled in Euro to take advantage of the enhanced liquidity facilities inherent in T2S. Furthermore, the CSD may also face competition in the provision of other services such as custody services.

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Related Flash: [TARGET2-Securities Project - Update, 20/01/2010 \(click to view\)](#)

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