

CSDs: NBB (Belgium), BOG (Greece), Clearstream Banking Frankfurt (Germany),  
Monte Titoli (Italy), Iberclear (Spain), VP Securities (Denmark), Central Depository  
SA (Romania)

Date: 09 May 2012

SMI Markets: Global

CMIRR Markets: Belgium, Denmark, Germany, Greece, Italy, Romania, Spain

## T2S Framework Agreement Signed

Further to our previous newsflash, the European Central Bank (ECB) held on 8 May 2012 an event marking the signing of the T2S Framework Agreement by the Eurosystem and the first group of nine European central securities depositories (CSDs). Other CSDs are expected to sign the agreement in June 2012.

The agreement governs the legal relationship between the Eurosystem and each CSD participating in T2S. The official announcement from the ECB is available here: [T2S Framework Agreement Signed](#).

## CSD 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

### 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services 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 = AA

Flash Impact = On Watch

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## Market Information Impact

### Global

This newflash is for information only.

## Infrastructure Risk Ratings Impact

### Belgium

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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

### 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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 = AA-

Flash Impact = On Watch

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

## 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

Any CSDs joining T2S that plan to decommission their settlement services will need to restructure their businesses to rely on non-settlement revenue, while the project to link the depository to T2S is potentially open to operational disruption. The end model based on fragmentation of settlement from other CSD services may have an Operational Risk impact.

Related Flash: [List of CSDs Committed to Join T2S, 03/05/2012 \(click to view\)](#)

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