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Stock Exchange Group

TARGET2-Securities: Getting closer

Forum T2S 2014
Milan, 4 November 2014

Why moving first to T2S

MT has supported T2S since the very beginning

What T2S allows

- Quick movement of securities
- Centralisation of securities and cash
- Mechanisms for auto-collateral
- Netting of positions in different markets

What it means for clients

- Securities are available where and whenever necessary
- No fragmentation and no need for buffers
- Reduction in the use of cash
- Optimisation of the settlement process

An opportunity for the Italian Market



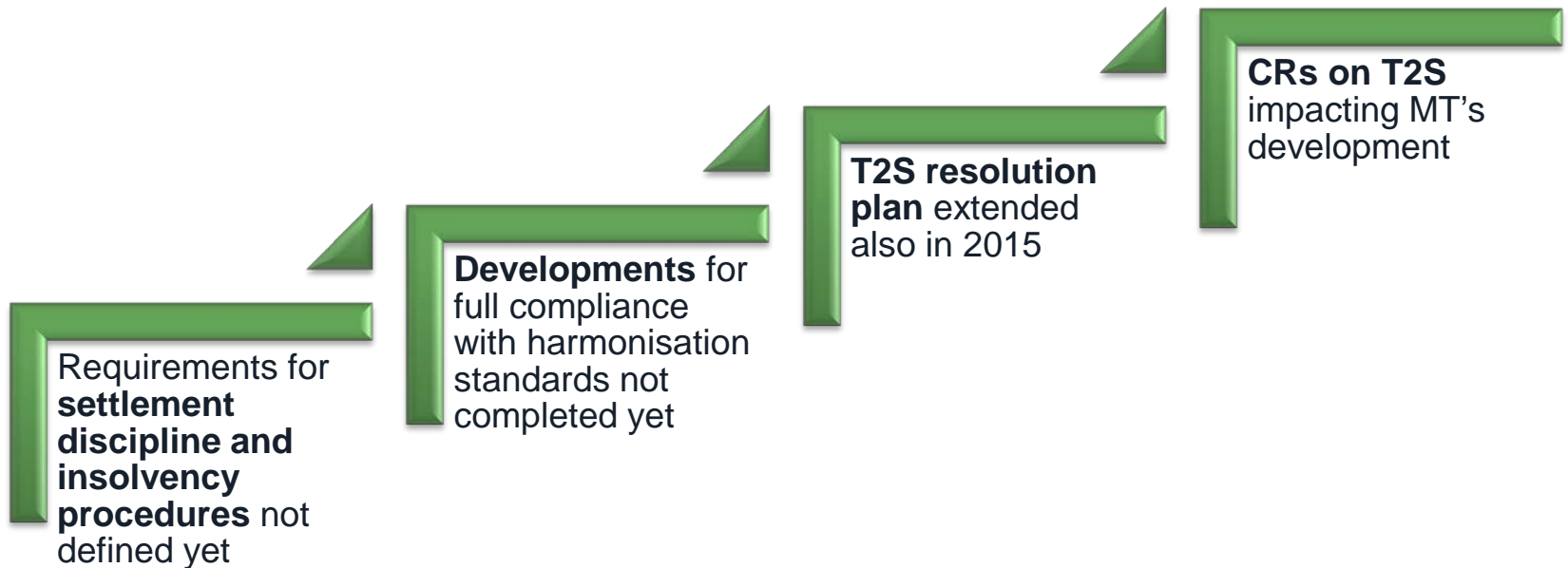
Good progress so far...

All objectives achieved:





...But some effort still required





Focus on market preparation

Work organization

- Coordination through NUG chaired by Bdl
- Dedicated NUG's subgroups created to deal with specific project's workstreams
- Dedicated group organised for Direct Participants

Training & Information

- Webinars & Info sessions for introduction to T2S and MT's project
- Calendar of courses recently published
- Workshops organised for specific topics
- Direct relationship with IT provider



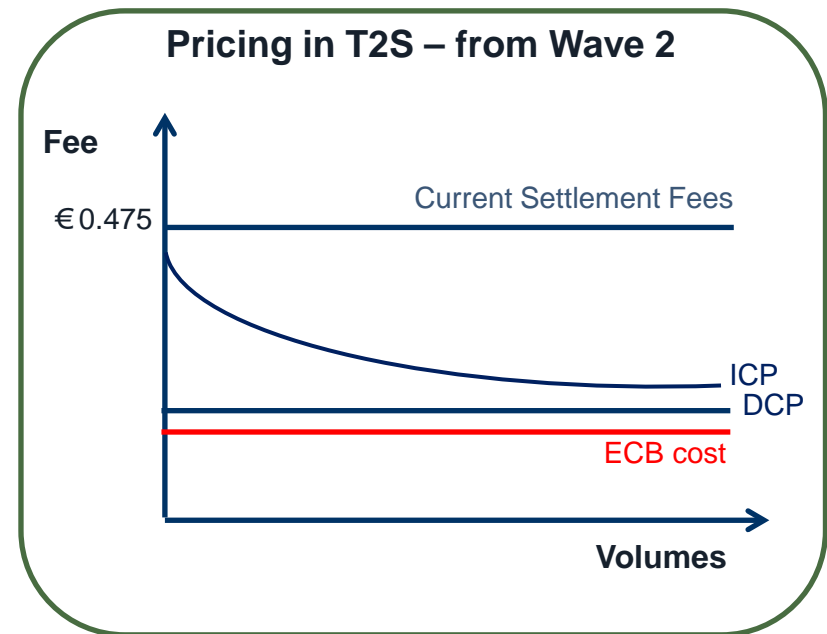
Monitoring

- Required to control progress of MT's participants and to early detect issues
- Organised with Bdl a quarterly self-assessment reporting (4th cycle just started)
- No major concerns from biggest players
- Some concerns coming from medium and smaller players



Monte Titoli's pricing principles

- **No increase** in the fee schedule to recover investment
 - Until end of Wave 1: commitment to maintain the cost for domestic settlement as it is (€0,475)
- **Significant decrease** in pricing from Wave 2:
 - Flat fee for DCP
 - Tiered pricing structure for ICP
- **Full leverage on T2S advantages**
 - Same pricing for internal CSD and extra CSD settlement within T2S





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Thanks!
