

Minutes of the 26th meeting of the NUG-SK

Meeting date: 7 February 2014

Venue: Národná banka Slovenska, ul. Imricha Karvaša 1, Bratislava (hereinafter: NBS)

NUG – SK members - present:

Peter Holička (chairman – NBS),
Karol Gers (Centrálny depozitár cenných papierov, a. s.)
Oľga Dlugopolská (Slovak banking association)
Quido Miglierini (Slovak banking association)
Rastislav Čapkovič (Slovak banking association)
Marcela Pokrývková (NBS)
Branislav Kopkáš (NBS)
Angelika Kotúčová (NBS)
Rudolf Pataki (NBS)
Elena Biskupičová (secretary – NBS)

NUG –SK members – not present:

Dagmar Kopuncová (Centrálny depozitár cenných papierov, a.s.)
Peter Kubrický (Ministry of Finance)
Mária Hurajová (Bratislava Stock Exchange, a.s.)
Peter Šály (Bratislava Stock Exchange, a.s.)
Jozef Bača (Centrálny depozitár cenných papierov, a.s.)
Jozef Adamkovič (NBS)
Róbert Kopál (Slovak association of securities dealers)

NUG –SK guests:

Adriana Karacsónyi (Centrálny depozitár cenných papierov, a.s.)
Miroslav Janík (Národná banka Slovenska)

Meeting agenda:

1. Discussion based on documents
 - a. related to forthcoming meeting of T2S AG
 - b. related to activity of the T2S Board
2. Miscellaneous (legal analysis of CDCP adaptation to T2S – current status)

NUG-SK chairman opened the meeting and informed the participants about the agenda. He introduced that the present meeting is aimed to discuss the documents related to the forthcoming meeting of T2S AG and also to focus the adjusted legal analysis of CDCP adaptation to T2S.

1a

NUG-chairman opened the discussion to the AG documents. No special comments or suggestions were submitted by NUG-SK members to that point. The discussion was focused mainly on the following topics:

- CSD Regulation – current status, the expectation that CSDR will be adopted by European Parliament in April 2014

- Current T2S Programme status
- Harmonisation and preparation of the Fourth Harmonisation Report. Based on the comments and inputs of NUG-SK Eurosystem suggested to improve the status of compliance in our market from yellow to green one related to three harmonisation activities (CASG standards, SF II and SF III).
- Consultation on BIC type usage – the members were invited to send their opinions not latest than 17th February to be able to reach the deadline for sending the answer on the consultation

1b

The participants were updated on the T2S Board activity. The solutions on omnibus account issue were explained and the NUG-SK members were informed furthermore also on the preparation of CSDR Regulation in more details.

2. Miscellaneous

Ms. Karacsónyi (CDCP, a.s.) explained current proposals of legal changes for the adaptation of CDCP to T2S presenting in the document “Legal analysis of intended CDCP adaptation to T2S”. These proposals emerged both from internal discussions in CDCP, discussions among the NUG-SK members and mainly with representatives of Ministry of Finance SR.

It is envisaged to perform following steps related to legal adjustment of market for adaptation to T2S:

- Three legal changes will be done by way of the amendment of the Act on banks by adjustment or skipping the particular provisions from the Act on securities
- Four issues will be solved by way of changes in Operation Rules of CDCP, a.s. without necessity to adopt legal changes
- The necessity of legal changes for collateralization technique (pledge) will be discussed among CDCP, a.s., Ministry of Finance and NBS.

Many issues required for compliance with T2S harmonization standards will be achieved in changing provisions in Operation Rules of CDCP, a.s. The new adjusted Operation Rules of CDCP, a.s. should be ready until end of November 2015. The most important for the readiness of Operation Rules is timely conclusion of agreement with IT supplier that should supply technology for adaptation of CDCP, a.s. for T2S.

The presented document contains all legal changes that are necessary to implement aiming the smoothly usage of T2S and that are feasible to implement.

NUG-SK recommends to CDCP, a.s. to sign the contract with IT supplier as soon as possible due to the fact that without the existence of this agreement there is the highest risk that CDCP, a.s. will not reach the deadline for its final adaptation for T2 services.

CDCP, a.s. should inform in the upcoming meeting on the solution related to mitigation the barriers that exist in the market related to the holding of foreign securities on omnibus accounts.

NUG-SK members took note the information related to launching of the new CASG standards gap analysis. Mr. Eduard Kalina from CDCP, a.s. is a new contact person who will coordinate the market’s reply to the 2014 CASG gap analysis survey. He will replace Ms. Jana Bartakova and this change will be announced to ECB.

It was agreed that a new contact person for E-MIG market standards will be Mr. Peter Šály from Bratislava Stock Exchange. His name will be announced to E-MIG via e-mail c.bonte@ebf-fbe.eu

Mr. Pokrývková updated all those present on the upcoming adjustment of Collateral Management System in NBS that is preparing to remove repatriation requirement as of May 2014. Furthermore the counterparties will be asked to test a new field in a settlement message instruction (place of settlement).

The participants of the NUG meeting were informed about a requirement from Eurosystem that institutions that intend to become directly connected DCA holders in A2A mode as of wave 1 should inform the Eurosystem in a binding manner not later than 3rd March 2014. Based on this NBS will initiate questionnaire and will ask banks to declare when and in which mode they intend to communicate with T2S.

The next NUG-SK meeting is scheduled for the beginning of April 2014 to consult the conducted 2014 CASG gap analysis.

Bratislava, 5th March 2014