

7.7.2011



Finnish Market Advisory Committee meeting – Summary minutes

Date Tuesday 28 June 2011

Place Euroclear Finland, Urho Kekkosen katu 5 C

Present	Kirsi Sakki	Pohjola Bank, chairperson	
	Maarit Ahola	Svenska Handelsbanken	
	Esa Andersson	Skandinaviska Enskilda Banken	
	Reijo Jokelainen	Sampo Bank	
	Risto Koponen	Bank of Finland	
	Päivi Kuitunen	Ålandsbanken	
	Mats Råstedt	Nordea Bank	
	Markku Savikko	Finnish Financial Services	
	Anna von Knorring	State Treasury	
	Anu Saarinen	Euroclear Finland	
	Anso Thiré	Euroclear Finland	
	Hanna Vainio	Euroclear Finland	
	Kati Honkajuuri-Kokkonen	Euroclear Finland, secretary	

1 Opening of the meeting and previous minutes

The chairperson welcomed MAC members to the meeting.

2 Euroclear Finland's competition file

Anso Thiré informed the members of the ongoing competition file. The Finnish Competition Authority sent Euroclear Finland a request for information in April to investigate EFi's suspected dominant market position and excessive pricing. EFi sent its response to the listed questions end of May.

The investigation is presumed to take approximately 12-15 months due to its complexity.

The chairperson asked whether there is an update on pricing structure changes.

It was confirmed that the file is ongoing with thorough investigation covering maintenance of current systems, impact of foreseen development and regulatory changes. Both potential costs and revenues are assessed especially in contrast to foreseen development.

3 Roadmap for Euroclear Finland - update

Hanna Vainio gave an update on EFi's roadmap.



T2S and its Framework Agreement are the main issues related to settlement services in addition to Ramses exit.

Structured products and automation of warrants' processing are the first steps in the so-called Issuer Connect project that will be launched in multiple phases.

In the Asset Servicing area a feasibility study has been started with focus on ISO15022 MT564 Corporate actions notifications in the first stage.

EFi's GROWTH initiative explores possibilities to benefit from the economies of scale of CSD systems and has started with a study in co-operation with Aalto University. The aim is to investigate e.g. the barriers for issuers to issue and benefit from book-entry system and new services needed. The initiative aims to bring benefits to the whole market with win-win-win outcome for affected stakeholders.

4 Broadridge - Euroclear Alliance

Anu Saarinen presented the background and set-up for the Euroclear alliance with Broadridge and the future landscape for meeting services for especially the nominee holding chain.

The scope of the service will cover end-to-end voting and aim to have efficient transparent processes for AGM attendance and increase shareholder participation.

As the Swedish MAC had agreed to set up an expert group from major custodians to validate the sub-custody model it was discussed whether a similar working group would be set up for the Finnish market as well. MAC members shared the view that it would not be needed in Finland, at least for the time being.

5 FIN NUG T2S – update

FIN NUG chairperson Risto Koponen presented the T2S update.

T2S project's main concerns remain largely the same as previously discussed in the MAC. The Framework Agreement's (FWA) open issues include governance, liability, SLA (e.g. uptimes), termination, delays and pricing, among other.

A slight postponement is foreseen of adoption by Governing Council and thus for FWA's signing that is now estimated end 2011. The UDFS (User Detailed Functional Specifications) has received a large number of comments and a new version is expected in October 2011. Network connectivity issue is proceeding with tender offer due to be sent to network providers shortly. Go-live remains in September 2014.

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Anso Thiré viewed that both the FWA and its schedules would require more certainty to be sufficiently stable and enable signing. There is a concern that cost is still not presented as an issue in the list of main concerns as it is a vital part of the business case for CSDs and the affected markets.

Next steps for the Finnish market is the recommendation that is planned to be delivered to EFi end August.

6 Other Issues

The issue on adding a new member to MAC Finland was agreed to be kept open.

7 Next meeting

Next MAC meeting will be held on Wednesday 7 September 2011 at 13-16:00 EET.

Next Cross-Border MAC is scheduled for Monday 3 October 2011 but will presumably be moved to an earlier date.