



Finnish Market Advisory Committee meeting – Summary minutes

Date	Wednesday 21 September 2011	
Place	Euroclear Finland, Urho Kekkosen katu 5 C	
Present	Kirsi Sakki Maarit Ahola Reijo Jokelainen Risto Koponen Mats Råstedt	Pohjola Bank, chairperson Svenska Handelsbanken Sampo Bank Bank of Finland Nordea Bank
	Hanna Vainio Heikki Ylipekkala Kati Honkajuuri-Kokkonen	Euroclear Finland Euroclear Finland Euroclear Finland, secretary
Excused	Esa Andersson Päivi Kuitunen Markku Savikko Anna von Knorring Anso Thiré	Skandinaviska Enskilda Banken Ålandsbanken Federation of Finnish Financial Services (FFFS) State Treasury Euroclear Finland

1 Opening of the meeting and previous minutes

The chairperson welcomed MAC members to the meeting.

Previous minutes were approved by the members.

2 TARGET2-Securities

The estimated timetable for decision making concerning T2S was presented. The Governing Council will discuss the Framework Agreement (FWA) in its November meeting. The signature has been planned by the ECB for December 2011, though this deadline will presumably be postponed to the beginning of 2012 if not further.

In addition to the internal decision making process, the Ministry of Finance has notified EFi of the need to apply for approval for the outsourcing as it is interpreted to be a significant outsourcing of clearing organisation's operations. This will presumably require signing the FWA subject to regulatory approval.

It was also informed that a client consultation will need to be done to enable information gathering on certain issues, such as views on the most suitable implementation wave, needs for cross-border settlement services and different participants' business cases, among other.

The chairman of FINNUG verified that the decision on market

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recommendation will be documented in the minutes of the FINNUG-MAC meeting and signed by the chairs of FINNUG and MAC. Additionally the FFFS will deliver its own statement.

It was also noted that the account model relating to T2S migration would need to be agreed upon during Q1/2012. The chairman of FINNUG added that the working group working on the account model issues is open and welcomes new members.

A status update was given on the current status and main open issues of the Framework Agreement (FWA) that governs the relationship between the ECB and CSDs. Main open issues cover governance, change and release management, connectivity, project risks, liability, business continuity, termination, service level and financial risks. According to the ECB, the FWA should be signed in December 2011, though it is believed that there will be a postponement to beginning 2012.

3 Local development initiatives

T2S's technical feasibility study is awaiting the finalisation of UDFS, expected in October 2011. Roll-out plan is targeted for end 2011 and decision is needed on the account model during Q1 2012. Ramses exit is planned to be done in 3-4 phases with money market instrument processing in CR/HEXClear for end 2012. Next development package would bring a collateral management solution and rest of features by the end of 2014.

Central bank money for redemption payments, securities and corporate action database renewal and STP issuance are also planned for 2012. Securities Markets Act renewal and tax related FACTA preparations are similarly planned for 2012.

2013 will see the technical execution of changes and development required by T2S, along with issuance, validation and reconciliation, expansion of legacy systems and corporate action solution to meet T2S requirements. Co-operation will also be needed with the tax authorities to enable best possible outcome for development of market claims and transformations.

4 Other Issues

Euroclear Finland's GROWTH initiative was presented. The 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 study is targeted on issuers and will result in an analysis and action plan in the fall of 2011. The aim is to investigate among other

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the barriers for issuers to issue and benefit from book-entry system and the new services needed.

The initiative aims to bring benefits to the whole market with win-win-win outcome for all affected stakeholders. The final report from the Aalto University study will be published late 2011 and utilised as a background info for 2012 action plan.

5 Next meeting

The secretary will contact the members to find a date for the next MAC Finland meeting.