

Dear T2S project team,

In addition to the attached Excel-template containing detailed remarks to the T2S URD, please find below some general comments of a group of cash experts from the following banks in the German market (alphabetic order ):

BNP Paribas  
Citigroup  
Clearstream Banking Frankfurt  
Deutsche Bank AG  
DWP Bank  
DZ Bank  
HSBC Trinkaus & Burkhardt

The group of cash experts thanks the ECB for the opportunity to comment on the URD documents in the context of the public consultation. However; we feel that the German financial market, being one of the biggest in Europe in general and German cash experts in particular have not been represented adequately in the T2S organisational set-up.

The representation of German credit institutions' cash experts would have been especially desirable in Technical Group 3 - settlement functionality since discussions focusing on cash accounting issues and on prioritisation of cash accounts could have been facilitated.

Having in mind that T2S is being considered as a catalyst for harmonisation of European financial markets, we would highly appreciate, if also on the Eurosystem side some harmonisation efforts regarding monetary policy could be initiated. For example, we would highly appreciate to have the opportunity to link a T2S dedicated sub-cash account to any of the banks' RTGS accounts even held with different NCBs. Furthermore, a pooling of central bank money held on any account of a credit institution for minimum reserve purposes would be highly desirable. From our point of view, the need to keep minimum reserves for the different branches of multi-country banks in a decentralised way with different NCBs is not in line with the idea of a European liquidity pooling.

As far as auto-collateralisation is concerned, it should be clarified, that auto-collateralisation on stock can also be used to fund the haircuts and purchases of securities which themselves are not eligible for auto-collateralisation with the Eurosystem as it is already the case in some CSDs. As this feature is deemed essential in a liquidity saving settlement process and for the sake of

clarity, this aspect should be mentioned in the URD explicitly. Precondition for the use of collateral on stock is the segregation of a bank's propriety and client securities accounts.

Kind regards

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