

Madrid, 18 September 2017

## **Joint announcement by CNMV and Banco de España on the completion of the project to reform the securities clearing, settlement and registration system**

With the incorporation today, 18 September, of Iberclear into TARGET2-Securities (T2S), the new European central securities settlement platform<sup>1</sup>, has finalized the project to reform the Spanish securities market clearing, settlement and registration system.

This project has consisted of two phases:

- Phase I, which commenced in April 2016, involved significant changes in the clearing, settlement and method of registration of equity transactions. As part of this Phase I, in October 2016, the settlement period was reduced from D+3 to D+2.
- Phase II involved the incorporation of fixed income securities into the ARCO settlement system (in which the equity securities are already settled) and the connection to T2S.

This project was coordinated and directed by the Reform Coordination Committee, chaired by CNMV and made up of representatives of Banco de España, Iberclear, AEB, CECA, FOGAIN, market infrastructures and the main participants in the clearing and settlement systems.

In the second phase of the reform, especially with regard to the inclusion in T2S, the National User Group, chaired by Banco de España, has intensified its coordination of participants in the post-trading community.

While the objectives of the reform have been met, the system needs to evolve in order to continue to adapt to the increasingly global and competitive securities markets environment.

CNMV and Banco de España are grateful for the work carried out by Iberclear, its participating entities, infrastructures and, in general, the entire Spanish post-trading community. This effort has made it possible to take a significant step forward in the standardisation of the Spanish systems with the rest of the European Union, as well as in improving the competitiveness of these systems.

### **For further information:**

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<sup>1</sup> See Annex

## Annex

TARGET2-Securities (T2S) is the Eurosystem platform for securities settlement in central bank money in Europe. T2S offers European central securities depositories a neutral, integrated cross-border settlement service with advanced functionalities.

The platform allows settlement of securities transactions in euros and other currencies whose central banks are connected to the system. T2S harmonises settlement processes in Europe and places cross-border settlement on an equal footing with national settlement, enabling cheaper and more efficient handling of cross-border securities transactions within the European Union. This will allow investors to further diversify their portfolios and issuers to access a broader investor base.

The platform became operational in June 2015, since when 20 central securities depositories across Europe have incorporated their securities markets on the platform. The migration to T2S was completed on 18 September 2017 with the incorporation of the Spanish central securities depository, Iberclear, and the central depository of the Baltic states. For the time being, Denmark's central bank will be the only one outside the euro area to make its currency available for securities transaction settlement on T2S (scheduled for 2018).

T2S's contribution to European securities markets integration makes it the cornerstone of financial integration in Europe and the creation of a single capital market.