

## PRESS RELEASE

### 17 July 2008 - Launch of the TARGET2-Securities project

Today, the Governing Council of the European Central Bank (ECB) decided to launch the **TARGET2-Securities (T2S) project** and to provide the resources required until its completion. It also decided to assign the development and operation of T2S to the Deutsche Bundesbank, the Banco de España, the Banque de France and the Banca d'Italia.

This is the result of the feedback received to the invitation expressed by the Governing Council of the ECB on 23 May 2008 to all European central securities depositories (CSDs) to join the T2S initiative. The proposal conveyed to the CSDs consisted of an outline of the economic benefits, a legal assessment, the T2S User Requirements, a description of the governance for the specification phase and details of the harmonisation efforts to be undertaken in the context of T2S. Subject to certain conditions expressed in their replies, almost all euro area CSDs, representing a very large share of settlement activity in the euro area,

- are in favour of the continuation of the T2S initiative,
- are prepared to enter into a legally binding contractual arrangement by the end of the first quarter of 2009 and
- intend to use the service once it is in operation.

CSDs outside the euro area have been invited to express their opinion until the end of 2008 in order to have sufficient time to establish whether or not their central bank is prepared to make its currency available in T2S. However, the Danish CSD has already agreed to participate in T2S for Danish krone settlement and euro settlement, and the Swedish and Swiss CSDs have indicated that they intend to participate for euro settlement but that a formal decision on their national currency has not yet been taken.

T2S constitutes a major step forward in the delivery of a single integrated securities market for financial services, thus reinforcing the Lisbon strategy, and in particular the Code of Conduct on Clearing and Settlement and the harmonisation efforts through the Giovannini process. T2S will provide a single, borderless pool of pan-European securities, as well as a core, neutral, state-of-the-art settlement process. Market users will be able to access these assets through CSDs in a way which can accommodate, rather than perpetuate, national and regional differences, and which already embodies agreed harmonisation measures in several key areas.

The Eurosystem will continue to cooperate closely and transparently with CSDs, their users and other relevant stakeholders.

#### European Central Bank

Directorate Communications  
Press and Information Division  
Kaiserstrasse 29, D-60311 Frankfurt am Main  
Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404  
Internet: <http://www.ecb.europa.eu>

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