



euroclear

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Mrs Gertrude Tumpel-Gugerell

Executive Board member
European Central Bank
Kaiserstrasse 29
D – 60311 Frankfurt am Main

Brussels, 10 July 2009

Dear Mrs Tumpel-Gugerell,

Re: T2S MoU

I am pleased to inform you that the Boards of the Euroclear CSDs (namely, Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK and Ireland) have carefully considered and agree to sign the T2S MoU that you sent us in March 2009. In this respect, I intend to be in Frankfurt on 16 July 2009 on behalf of these CSDs, with my colleague Joel Mérére, to sign the MoU.

As you are aware, the Euroclear group contains CSDs serving both eurozone and non-eurozone countries. In the case of Euroclear Sweden and Euroclear UK and Ireland there are therefore, some specific clarifications to which I should draw your attention.

First, in agreeing to sign the MoU the Board of Euroclear Sweden has noted that the MoU is drafted for signature by those CSDs that are operating euro-denominated securities accounts where the Eurosystem has already decided to outsource euro central bank money cash accounts. As you are aware, the Riksbank has not yet made such a decision in respect of its Swedish Krone cash accounts. Consequently, while Euroclear Sweden is content to sign the MoU, some of the provisions of that MoU are obviously subject to Riksbank deciding that it wishes to use T2S (for example it is clear that some of the articles of the MoU are not appropriate for a CSD which is not yet in a position to plan its migration to T2S since its national central bank is still in the process of considering the opportunities which T2S might offer its national market and national currency).

Secondly, the Board of Euroclear UK and Ireland (EUI), as a provider of settlement services to both the UK and the Irish markets, has asked me to stress that EUI is signing the MoU solely in respect of its euro denominated settlement activity, primarily for the Irish securities markets.

As you are aware, we wrote to you on 4 July 2008 setting out a statement of support for the continuation and finalisation of the T2S project, subject to three broad conditions. Notwithstanding our signature of the MoU and our willingness to move into the next phase of the project, these conditions still apply to our future participation in T2S. I repeat these conditions here for completeness.

- An appropriate legal and contractual framework for T2S. We look forward to the forthcoming negotiations of the Operational and Development Agreements(s) as a way of dealing with this particular condition.
- A governance structure that safeguards the interests of CSDs as outsourcers. Again, we also look forward to the forthcoming negotiations of the Operational and Development Agreements(s) as a way of dealing with this particular condition.
- Allowance by the ECB/Eurosystem in the T2S design for the efficient functioning of a model in which our individual customers can decide whether to settle their transactions using the T2S platform or the Euroclear Single Platform, with the two connected by an appropriate link. Obviously, some Euroclear markets, notably the Euronext-zone markets, have already decided that they do not wish to avail themselves of this model and therefore we do not intend to develop such a model for these markets. For the other markets, we continue of course to expect to be able to make available this model to our clients once T2S goes live, until and unless they ask us not to do so.

Finally, you requested that we appoint a T2S Project Sponsor and a Project Manager. I take this opportunity to inform you that Joel Mèrere, an executive director of Euroclear SA/NV, will be the Euroclear group's Project Sponsor and that Jan Lemeire (jan.lemeire@euroclear.com) will be the group's Project Manager.

Both individuals are very well-known to your colleagues in the Programme Board and within the T2S project.

In addition, we will also appoint local "project managers" within each of the Euroclear CSDs, the activities of whom will be coordinated by Jan Lemeire, but who may also attend meetings with the Programme Board's project team on an ad hoc basis. These local project managers will be

The ESES CSDs	:	Dan Toledano (dan.toledano@euroclear.com)
Euroclear Finland	:	Heikki Ylpekkala (heikki.ylpekkala@euroclear.eu)
Euroclear Sweden	:	Henrik Mattson (henrik.mattson@euroclear.eu)
Euroclear UK & Ireland	:	Robert Fair (robert.fair@euroclear.com)

We look forward to continuing working with you and your colleagues over the coming months to further progress the development of T2S.

With best wishes.

Yours sincerely,

