

Clearstream Spotlight

We join T2S



Clearstream has joined the TARGET2-Securities (T2S) initiative. We will be the largest participant in the new pan-European settlement platform and will account for nearly 40% of all T2S volumes in the Eurozone.

Clearstream's German CSD and LuxCSD, jointly owned with the Banque Centrale du Luxembourg, were among the very first to sign the T2S Framework Agreement.

T2S is a central technical platform for securities settlement in euro and non-euro currencies in central bank money and is scheduled to go live in 2015. The platform is being built and operated primarily by the Bundesbank with the Banque de France, the Banca d'Italia and the Banco de España and will be delivered by the Eurosystem.

All participating CSDs will outsource their central bank money settlement operations to the Eurosystem. A major aim of the initiative is to reduce fees significantly for cross-border settlement.

Reaching this important milestone was welcomed by Jeffrey Tessler, CEO of Clearstream, who said that T2S would drive the harmonisation of post-trade processes across Europe.

"It can bring huge benefits to the market and we have therefore been supporting T2S since the beginning of the project in 2006," he said.

Clearstream's position as the largest CSD in T2S, and its existing ICSD settlement and custody network plus added-value services make it an especially attractive location for the market.

Customers benefit from our unique offering

Clearstream believes that our participation in T2S will bring tangible benefits to our customers.

Our German CSD business will connect to T2S and offer settlement in central bank money across a wide range of European markets while our ICSD business will continue to deliver global reach through access to 52 domestic markets with settlement in commercial bank money.

Our business approach is to ensure our customers gain the best of all worlds – a choice of settlement models plus top quality asset servicing and world-leading collateral management. All this should be available through a single connectivity platform offering streamlined reporting and an overview of all the customer's exposures. And our customers also gain benefits from Clearstream's situation at the heart of the Deutsche Börse Group which offers them access to further opportunities, such as GC Pooling.

It is Clearstream's view that T2S offers the industry an opportunity to create a more efficient, secure and standardised post-trade space. We are embracing the changes to improve access to European markets, provide innovative and differentiated services and build on our competitive offering in the global collateral management, securities lending, custody and settlement processing areas.

More information

More information on T2S, including an FAQ document, is available on our website www.clearstream.com or please send an email with general questions to T2S.General.Inquiries@clearstream.com or contact your relationship manager.