



EUROPEAN CENTRAL BANK

EUROSYSTEM

T2S CURRENCY PARTICIPATION AGREEMENT

SCHEDULE 8 - ANNEX 1

MANDATE OF THE T2S NECSG

Schedule 8 – Annex 1 – Mandate of the T2S NECSG

1. Preamble and Objectives

The provision of T2S Services in different currencies is based on the cooperation between Central Banks and the equality of all currencies in T2S.

The Governing Council and the non-euro area NCBs in T2S have established the T2S Non-euro Currencies Steering Group (T2S NECSG). The T2S NECSG discusses all matters of relevance for non-euro area NCBs in T2S.

The T2S NECSG supports the decision-making process in the multilateral T2S Service, by providing the Eurosystem with the non-euro area NCBs in T2S common position on matters of relevance for non-euro area NCBs in T2S. The T2S NECSG works within the Governance specified in Schedule 8 of the T2S CPA.

2. Responsibilities and Tasks

The T2S NECSG is responsible for articulating and coordinating the views of non-euro area NCBs in T2S. The T2S NECSG gives its advice or agrees on a resolution on any topic related to T2S, in particular on:

- any topic brought to the Governing Council that has implications for the T2S CPA;
- changes to the T2S CPA and its Schedules, in line with the applicable procedures;
- topics of major interest concerning T2S;
- changes to the T2S Scope Defining Set of Documents, in line with the applicable procedures specified in the T2S CPA Schedule 8 (Governance) and Schedule 9 (Change and Release Management);
- Change and Release Management, including the prioritisation of Change Requests stemming from non-euro area NCBs in T2S;
- disputes between the Eurosystem and non-euro area NCBs in T2S;
- any other consultation request of the MIB or the Governing Council;
- crisis management;
- risk, cyber resilience and information security topics;
- operational topics;
- monitoring the T2S Service (in accordance with the Service Level Agreement);
- pricing topics;

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- acceptance for testing and go-live, and
- on any matters of relevance in relation to the T2S CPA.

The outcome of a discussion in the T2S NECSG neither restricts the ability of a Central Bank to safeguard the integrity of its currency (which, for the purposes of the T2S CPA, includes the implementation of monetary policy including all credit operations as well as the settlement in Central Bank Money in the respective currency) nor the control over its respective cash accounts (including the exercise of its rights and duties under the T2S CPA), nor pre-empts the right of the Governor of any of the non-euro area NCBs in T2S to request a meeting of the Governors' Forum.

The Mandate of the T2S NECSG shall be reviewed every three years. The Mandate of the T2S NECSG expires with the replacement of the T2S CPA by a new agreement and/or with the termination of the T2S CPA by all the non-euro area NCBs in T2S.

3. Composition and Term

The T2S NECSG is composed of T2S NECSG Members: each of the non-euro area NCB in T2S by a senior manager nominated by the respective Governor of the non-euro area NCBs in T2S.

The T2S NECSG Chairperson shall be elected from among the T2S NECSG Members by the T2S NECSG Members. The T2S NECSG Chairperson appoints a highly experienced member of staff of the ECB as T2S NECSG Secretary. The T2S NECSG Chairperson may designate an alternate to replace the T2S NECSG Secretary in exceptional circumstances.

The T2S NECSG Chairperson may invite the MIB Chairperson to attend their discussions as an Observer.

The term of the T2S NECSG Chairperson and the T2S NECSG Members begins and ends at the same time as the term of the members of the MIB.

4. Reporting

The T2S NECSG gives its advice and makes resolutions to the MIB as the managing body of T2S, upon invitation or on its own initiative. The T2S NECSG may send its resolutions

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directly to the Governors' Forum and/or the Governing Council if the T2S NECSG considers that the integrity of the national currencies of non-euro area NCBs in T2S, the General Principles of T2S or other core elements of T2S are at risk. The T2S NECSG may establish its own procedures on the frequency of this reporting, which may vary over time during the validity of the T2S CPA.

5. Working Procedures

Detailed working procedures are specified in the 'Rules of Procedure' to be drafted by the T2S NECSG and endorsed by the Governing Council. The MIB has the possibility to express a non-binding opinion on the Rules of Procedure before their entry into force. As a rule, the T2S NECSG does not hold physical meetings and teleconferences. Instead, the T2S NECSG reviews the same documentation as the T2S CSD Steering Group (T2S CSG), if relevant in the T2S NECSG context, via means of written procedure. If deemed necessary, physical meetings or teleconferences may be called by the T2S NECSG Chairperson. The dates of the reviews of T2S NECSG documentation via written procedure or alternatively, via physical meetings or teleconferences, shall be communicated to the T2S NECSG Members and the Observer sufficiently in advance. Additional reviews of T2S NECSG documentation via written procedure or, alternatively, via physical meetings or teleconferences may be called by the T2S NECSG Chairperson.

The ECB provides operational and secretarial support to the T2S NECSG. Meeting documentation will be circulated sufficiently in advance of each review of T2S NECSG documentation via written procedure, i.e. at the latest five T2S Settlement Days in advance unless agreed otherwise by the T2S NECSG.

The T2S NECSG may invite the MIB Chairperson or another member of the MIB to its discussion. The T2S NECSG may request the advice of the T2S CSG and/or the AMI-SeCo.

The T2S NECSG's aim is to adopt resolutions by consensus and to avoid, where possible, transmitting individual views to the Eurosystem. However, each T2S NECSG Member has the right to:

- include an opinion in an T2S NECSG resolution that differs from the view of the other T2S NECSG Members; and

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- escalate an issue to the Governors' Forum if T2S NECSG member considers the MIB decision to negatively affects its ability to safeguard the integrity of its respective national currency.

Any T2S NECSG Member may propose that a resolution, advice or a resolution on the work organisation of the T2S NECSG is taken by the group. A disagreement between one or more non-euro area NCBs in T2S and the Eurosystem can be escalated from the working and sub-structure level to the T2S NECSG and shall follow the dispute resolution and escalation procedure specified in Article 37 of the T2S CPA.

6. Sub-structures

The T2S NECSG may establish sub-structures (technical groups, task forces, workstreams and networks) to support its work if considered necessary.

7. Transparency

All relevant documentation and information shall be made available in a secure workspace, accessible to all T2S NECSG Members. As part of the transparency principle of T2S, the Mandate of the T2S NECSG, the T2S NECSG Members list as well as the T2S NECSG resolutions should be published on the ECB website.