

## **Yves Mersch: Translating a shared vision into a winning story**

Closing remarks by Mr Yves Mersch, Member of the Executive Board of the European Central Bank, at the T2S Launch Celebration, Milan, 2 July 2015.

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We chose to call this T2S launch celebration “Translating a shared vision into a winning story”. Listening to the speakers for the past two hours I believe the name was just right. We have heard how the T2S Community transformed the shared vision of an integrated securities settlement landscape into a winning story, culminating in the launch of T2S on 22 June.

Stimulating views have been shared tonight and I would like to thank the speakers for presenting their perspectives on the capital markets union. It is evident that T2S, post-trade harmonisation and the CSD Regulation are among the elements that will be pushing this agenda forward.

Looking around the room I am happy to see so many familiar faces. Faces of people who have been part of the project since the idea of T2S was born in 2006. The journey over the past nine years has been an inspiring one. There have been some bumps in the road, some twists and turns, but with the launch of T2S we have achieved a monumental milestone. We made the vision of a single securities settlement platform for Europe a reality.

I want to thank you all for your support, trust and commitment, which has enabled us to reach this first step towards an integrated, more efficient, and harmonised post-trade market in Europe. In particular, I would like to take this opportunity to thank the national communities, namely the national central banks, the securities depositories and their clients, for their involvement and cooperation. Moreover, I would like to thank the 4CB (composed of Banque de France, Deutsche Bundesbank, Banca d’Italia and Banco de España) for developing and now also running the T2S platform. Let me also acknowledge the hard work and dedication of the people at the ECB who coordinated the implementation of the project. In particular, I thank Jean-Michel Godeffroy, who steered the T2S ship through sometimes stormy waters for many years, and Marc Bayle, who brought the ship to a safe harbour on 22 June 2015. And a special thanks to Ms Tumpel-Gugerell, who was the ECB board member in charge during the project’s inception.

A popular saying is that “Two heads are better than one”. From the very beginning T2S has managed to unite the efforts of both the private and the public sector. T2S was not initiated by the market, but owing to its post-trade harmonisation agenda it has evolved into a market-driven initiative which is supported by the public sector.

In many ways it has been a unique project.

First of all, no one was forced to join the T2S Community. Many securities depositories chose to participate because they saw great potential in T2S in terms of cutting settlement costs, fostering competition and generating new business opportunities. But overall, T2S had the potential to bring about a more integrated financial market and thus to benefit all.

Second, the governance structure of the project is special as national central banks, securities depositories and market participants formed a partnership with one objective – to launch T2S successfully. It is this unique collaborative effort, mentioned by some of you tonight, that has ensured the success of the T2S project, a project of such size and scale that it has changed the industry completely.

Finally, the project is unparalleled in that it has led the industry to impose new rules and procedures on itself. And let’s be honest: this does not happen often. That is why many believe that the post-trade harmonisation agenda is the greatest benefit of T2S.

The launch of T2S is a great achievement. With T2S we have a big story, and I am confident that the story of its development will continue to be a winning one. Of course, there are many types of stories – some rooted in fantasy, some in fiction, and some in reality. The T2S story is a reality, and to symbolise this, a 3D printer is installed in the corridor that you will pass through several times tonight. I invite you to keep an eye on it and see how the T2S logo will materialise. Just like the T2S project will materialise over the next two years as the remaining 17 markets migrate to the platform.

The migration of the four securities depositories from Greece, Malta, Romania and Switzerland to the T2S platform on 22 June was just the beginning. The Italian market will join on 31 August, followed by three more waves of CSDs in March and September 2016 and February 2017. At that time 21 national markets will unite in a single market for securities settlement, with enhanced liquidity and collateral management. To ensure the rollout of T2S progresses smoothly we continue to support the preparations of all the securities depositories yet to migrate, as well as the efforts of the national markets to comply with the harmonisation standards.

Once full migration is complete, T2S has the potential to become the single gateway between the European financial market and the rest of the world. It will offer great opportunities for both European and international investors and issuers. National issuance will become European issuance, as shown nicely by the jaunty securities characters in the video we saw earlier.

T2S will lower settlement costs and expand horizons for all entities in the post-trade market, regardless of their size or country of origin. Thanks to T2S, all markets and entities, both small and large, will have equal access to an innovative technical platform as well as an integrated European market.

For many people, Europe means the euro. But T2S will not only settle in euro. T2S was designed as a multi-currency system. The Danish krone will be available for settlement in T2S as of 2018. Some of the other non-euro-area central banks have also expressed an interest in joining at a later stage, as soon as their markets are ready. I am confident that, following the successful launch, more markets and currencies will be interested in joining the platform, paving the way for T2S to embrace the diversity of Europe and become a truly pan-European platform.

Like the speakers in the panel discussion who shared their vision for the post-trade industry ten years from now, we should think about what happens next. The capital markets union, once established, will be a great step forward. But is more needed in the market infrastructure arena in order to progress on the journey towards an integrated financial market in Europe? One helping hand will be the synergy between TARGET2 on the cash side and T2S on the securities side, which certainly brings new opportunities. The objective should be to better meet the demands of the market and increase efficiency. Our journey continues.

What I am sure of is that the story of T2S is successful because of each and every one of you. To celebrate this great achievement, I would like to invite you for a drink in the beautiful garden outside.

Thank you.