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PRESS RELEASE

The securities settlement system of the NBB has successfully migrated to the European platform TARGET2-Securities

The National Bank of Belgium's securities settlement system, NBB-SSS, has today joined the circle of European central securities depositories (CSDs) that are active on the single European securities settlement platform **TARGET2-Securities** (T2S). The NBB is also involved as Central Bank by providing dedicated cash accounts on this European platform.

T2S started up on 22 June 2015. It offers a unique, state-of-the-art platform for the settlement of securities in central bank money, for the time being only in euro denominations but will eventually be available in other currencies. T2S brings down the cost of settlement, makes cross-border transactions as efficient as domestic ones, boosts competition and strengthens financial stability in Europe.

NBB-SSS and NBB are part of the second T2S wave, switching over today along with Portuguese Interbolsa and the Portuguese Central Bank. When T2S first went live in June 2015, CSDs from Romania, Greece, Malta and Switzerland took part in the first wave, followed shortly after by Italy. All other CSDs in Europe and their central banks will be gradually phased in up until 2017.

For some years now, NBB-SSS has been making thorough preparations for this two-stage migration, providing support and communicating with the Belgian financial community through no less than sixteen information sessions. The two-stage migration helps reduce the operational risks involved with the project. In practice, moreover, this strategy has proved to be the best preparation, not only for NBB-SSS but also the seventy-odd participating banks and stock-broking firms, both domestic and foreign.

The first phase, called RAMSES1, was launched on 2 February 2015. During this stage, most of the T2S functionalities and harmonisations had already been implemented via the NBB-SSS application, which thus became the first market infrastructure to exchange T2S messages under the ISO 20022 standard (see: <https://www.swift.com/insights/news/important-milestone-for-t2s>).

The RAMSES1 application has proved to be extremely stable and has encountered very few teething problems, thanks mainly to efficient management of different versions and regular software updates. The legal framework has also undergone a similar change through the adoption of new *Terms & Conditions*.

For NBB-SSS as CSD and for the NBB as Central Bank, this second wave constitutes the actual migration to the single T2S platform. From now on, both national and international securities transactions will be settled on the common European platform, where all securities and cash accounts, along with their transactions, will be managed and settled centrally. Completion of the migration to T2S at the end of this second wave will enable NBB-SSS participants to fully benefit from the advantages that RAMSES1 already has to offer, as well as all the T2S functionalities, notably technical improvements, like the ISO 20022 communication standard or customised modes of connection, harmonisation and economies of scale for banks and stock-broking firms active in several different countries and on several markets, operational accessibility and 22-hour production a day, efficient treasury management through centralisation and Central Bank auto-collateralisation, as well as lower charges for cross-border securities settlement transactions.