



EUROPEAN CENTRAL BANK
EUROSYSTEM

Review of the functioning of the AMI-SeCo

focus areas and
timeline



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Background

- The AMI-SeCo was set up in 2017 by merging the T2S Advisory Group and the COGESI (Eurosystem contact group on securities infrastructures)
- The AMI-SeCo mandate envisages a review of the functioning and of the members from time to time, so far no major changes have been made
- The Secretariat considers that (almost) 5 years of existence may provide enough experience to reflect on the AMI-SeCo's functioning and governance

Looking back – functioning of the AMI-SeCo

- Overall, the AMI-SeCo could fulfil its mandate since its creation and has become a key forum for interaction between the market and the Eurosystem on post-trade issues
 - **Facilitating an active dialogue:** The combination of ad-hoc and regular meetings provided the flexibility that was necessary to react to and discuss developments at short notice (e.g. T2S fees, COVID-19 related matters and replanning, T2S incidents)
 - **Fostering financial market integration:** Harmonisation work with high reputation and recognition in the industry (SCoRE, T2S harmonisation, CA monitoring) with a link between national / local discussions and the European level
 - **Providing advice to operation and development of Eurosystem infrastructures:** All major Eurosystem decisions concerning securities infrastructures consulted with the market

Looking ahead - challenges

- There are potential future changes in the external environment that should / could also be taken into account when reviewing the functioning of the AMI-SeCo
 - **Changes in T2S markets:** new markets are on the verge of joining T2S in the coming years
 - **Further developments of TARGET services:** Impact of TARGET consolidation and ECMS on T2S and post-trade services in general
 - **Further regulatory / public authority actions relevant for post-trade markets** - CMU action plan, CSDR review, SRD2 implementation and review, DLT pilot regime
 - **Broader structural changes in the market:** Consolidation and changes in market structure, impact of Brexit, NGEU and ESG issuance
 - **Technological innovation in post-trade:** Potential market diffusion of DLT solutions

Potential focus areas of the review

- **Broadening the set of stakeholders:** Harmonisation work also affects actors beyond the traditional set of infrastructure users (banks, CCPs) and CSDs
- **Higher clarity on geographical scope:** In the area of harmonisation in most cases a focus on the euro area or T2S markets only is not efficient or sufficient as the impact is beyond these regions
- **Consistency of substructure-level and plenary-level discussions:** In a few cases discussions held or belonging to substructures are repeated or re-opened
- **Structure of substructures:** New substructures were created over time and added to 'legacy' groups with no zero-based look at the efficiency and the division of labour between the substructures
- **Additional fine-tuning / updating of mandate** (adjusting wording to reality and more pragmatic procedures)

Next steps and timeline

- AMI-SeCo Secretariat will launch a survey via written procedure / Epsilon with AMI-SeCo members and NSGs on the review of the AMI-SeCo functioning and governance in December 2021 for input by mid / late-January 2022
- Based on the input an ad-hoc AMI-SeCo meeting will be organised in late February / March 2021
- After the AMI-SeCo discussion, where necessary, the review proposals (mandate, composition) will be submitted by the ECB team to the MIPC and the ECB decision making bodies in late March / April
- Any changes agreed by the AMI-SeCo and not requiring ECB GovC decision (e.g. AMI-SeCo substructures or working procedures) will be implemented in parallel
- Revised framework to be 'operational' by June 2022 AMI-SeCo meeting