

## **CNMV APPROVES THE AMENDMENT OF THE IBERCLEAR REGULATIONS THAT WILL ALLOW MIGRATION TO THE EUROPEAN PLATFORM TARGET2-SECURITIES (T2S)**

Wednesday, 6 September, 2017

- T2S brings the post-trading systems (clearing and settlement) of the Spanish market into line with those of the main European markets
- The new system improves the competitiveness of our market, a key aspect in an increasingly global environment
- The migration to T2S will take place this coming 18 September

The Board of the National Securities Market Commission (CNMV) has approved the amendment of the Regulations of the Management Company of the Registration, Clearing and Settlement Systems of Securities, S.A.U. (Iberclear) that will allow migration to the Target2-Securities platform.

This approval complies with the provisions of the joint memorandum published by CNMV and Bank of Spain on 27 July regarding the commitment to take all the necessary steps to allow the incorporation of Iberclear into T2S, the new central platform for the settlement of securities in Europe, on the scheduled date.

The new system represents progress in the standardisation of the post-trading systems of the Spanish stock market, enabling greater flexibility and efficiency of these processes, which will make it possible to boost the competitiveness of our market, an aspect that is crucial in an increasingly global environment.

The migration of the Spanish market to T2S will complete a process of reform, which started almost ten years ago and consists of two phases:

- Phase I, which began in April 2016 and resulted in significant changes in the clearing and settlement of all equity transactions. In this phase, it is worth noting the obligatory intervention of a central counterparty, the transition from a registry



based on registry references to one based on balances, the elimination of assurance of delivery (after the reform transactions are only settled when the existence of securities and cash has already been demonstrated) and the rules governing the finality of securities and cash transfers of a securities settlement system have been modified. As part of this Phase I, in October 2016, the settlement period from D + 3 to D + 2 was reduced.

- Phase II, which will be launched on 18 September, with the incorporation of fixed income securities into the ARCO settlement system, in which the equity securities and the connection to T2S are already being settled.

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