

From: Murray, Darren [Darren.Murray@ncb.ie]
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Conversation: T2S Consultation
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Subject: T2S Consultation

Please find attached our feedback re market consultation on the T2S.

The harmonisation that T2S will bring to European settlements is good for the market and NCB fully supports any project that is trying to achieve this.

Of primary concern to NCB is the impact of T2S on the Irish market. Historically the Irish market has close connections to the UK market and most Irish companies have listings in both the ISE and the LSE.

These listings can be denominated in Euro but on occasion some are listed in Euro on the ISE and Stg on the LSE. Presently the CSD for the ISE and LSE is Euroclear/Crest and as such there are no settlement issues due to the stock being fungible.

- If Euroclear/Crest decides to participate and Stg is not part of T2S dual quoted multi currency stocks would no longer be fungible for settlement and these stocks would now become cross-border settlements resulting in an increase in settlement costs.
- If Euroclear/Crest decides not to participate in T2S due to the non involvement of Stg, this could result in decoupling Ireland from the UK.
- Irish brokers have substantial dealings and holdings in UK stocks on behalf of Private Clients. Transactions in UK stocks will become "cross-border" if Euroclear/Crest decide not to participate and this potentially requires Irish brokers to maintain Crest settlement capabilities as well as T2S capabilities giving rise to substantial additional costs.

There are other specifics to the Irish market that need to be considered further before any decision can be made. NCB along with other Irish participants would welcome a meeting with the T2S team to discuss our concerns further.

Regards
 Darren Murray
 Head of Market Services
 Ph : +353 1 611 5856
 Fax :- +353 1 611 5990

*** NCB Charity Day Thursday 3rd April 2008 - A Date to Remember ***

<http://www.ncb.ie/downloads/pdf/charityday2008.pdf>

NCB, 3 George's Dock, IFSC, Dublin 1
 Tel: 00 353 1 611 5611 - Fax: 00 353 1 611 5766
 NCB London, 51 Moorgate, London EC2R 6BH
 Tel: 00 44 207 071 5200 - Fax: 00 44 207 071 5202

<http://www.ncb.ie>

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