

THEN, NOW AND THE FUTURE

Interlinking European Commission's legislative developments with ECB's market infrastructure innovations, for greater access, resilience and performance in the securities services industry.

EUROPEAN COMMISSION: EU LEGISLATIVE INITIATIVES

Recovering from the Financial Crisis (2009-2014)
 CMU (2014-2019): Focus on the "real economy" – "jobs and growth"



CMU 2.0 (2019-2024): "An economy that works for people"



KEY THEMES

2009-2014 avoiding another financial crisis

- Financial stability
- Market integrity
- Investor protection
- Strengthening banking capacity



2014-2019 Capital Markets Union (CMU)

- Growth and jobs
- Focus on the "real economy"
- Facilitating cross-border investment



2019-2024 CMU 2.0, an economy that works for people

- Financial union
- Digital single market
- Cyber resilience
- ESG principles
- Operating efficiency



EUROPEAN CENTRAL BANK: "TARGET SERVICES"



KEY AND DEFINITIONS

MIFID II: Market in Financial Instruments Directive – Provides harmonised regulation for investment services across the member states of the European Economic Area.

EMIR: European Market Infrastructure Regulation – Rules on OTC derivatives, central counterparties and trade repositories.

CSDR: Central Securities Depository Regulation – Improving securities settlement system safety and opening the market for central securities depositories (CSD) services.

SFTR: Securities Financing Transactions Regulation – Securities financing transactions (SFTs) allow investors and firms to use assets, such as the shares or bonds they own, to secure funding for their activities.

SRD II: Shareholder Rights Directive II – Helping shareholders exercise voting rights.

CMU: Capital Markets Union – Creating a single market for capital in the European Union.

SFD: Settlement Finality Directive – Guaranteeing the finality of transfer order settlements, even if the sending participant becomes insolvent.

FCD: Financial Collateral Directive – Harmonized legal framework for receipt and enforcement of financial collateral.

WHT Reclaims: Operational procedures for the application of With-Holding Taxes and of Double Tax Treaty benefits.

Target2: RTGS system to process and settle cash transfers in Euro.

T2S: Single platform for securities settlements across Europe, with harmonised rules and practices, using central bank money.

TIPS: Enables payment service providers to offer real-time fund transfers around the clock (24x7x365).

T2/T2S Consolidation: Technical integration of the two platforms, to achieve functional synergies, cost savings and operating efficiency.

ECMS: Unified system for managing assets used as collateral in Eurosystem credit operations. A 'catalyst' for fostering harmonisation of related securities processing activities.

This communication is solely for your information and "AS IS" and "AS AVAILABLE", without any representation or warranty as to accuracy, adequacy, completeness, timeliness or fitness for particular purpose. The user bears full responsibility for all use of such information. Citi may provide updates as further information becomes publicly available but will not be responsible for doing so. The terms, conditions and descriptions that appear are subject to change; provided, however, Citi has no responsibility for updating or correcting any information provided in this communication. No member of the Citi organization shall have any liability to any person receiving this communication for the quality, accuracy, timeliness or availability of any information contained in this communication or for any person's use of or reliance on any of the information, including any loss to such person. This communication is not intended to constitute legal, regulatory, tax, investment, accounting, financial or other advice by any member of the Citi organization. This communication should not be used or relied upon by any person for the purpose of making any legal, regulatory, tax, investment, accounting, financial or other decision or to provide advice on such matters to any other person. Recipients of this communication should obtain guidance and/or advice, based on their own particular circumstances, from their own legal, tax or other appropriate advisor. The entitled recipient of this communication may make the provided information available to its employees or employees of its affiliates for internal use only but may not reproduce, modify, disclose, or distribute such information to any third parties (including any customers, prospective customers or vendors) or commercially exploit it without Citi's express written consent. Unauthorized use of the provided information or misuse of any information is strictly prohibited.

© 2020 Citibank, N.A. (organized under the laws of USA with limited liability) and/or each applicable affiliate. All rights reserved by Citibank, N.A. and/or each applicable affiliate. Citi and Arc Design is a trademark and service mark of Citigroup Inc., used and registered throughout the world.