



EUROPEAN CENTRAL BANK

CONSULTATION ANNOUNCEMENT

ESCB-CESR Standards for Securities Clearing and Settlement Systems in the European Union

The European System of Central Banks (ESCB) and the Committee of European Securities Regulators (CESR) have today published two documents entitled “Standards for securities clearing and settlement systems in the European Union” and “The scope of application of the ESCB-CESR standards” for public consultation related to the joint work being done by the ESCB and CESR in the field of securities clearing and settlement. The first document contains 19 standards, which aim to increase the safety, soundness and efficiency of securities clearing and settlement systems in the European Union. The standards are based on the CPSS-IOSCO recommendations for securities settlement systems of November 2001 issued by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions (CPSS-IOSCO) in November 2001.¹ The second document explores the possibility of applying certain specific standards to major custodian banks that provide securities clearing and settlement services.

The two documents were prepared by the ESCB-CESR Working Group, composed of representatives of the ECB and the 15 national central banks of the European Union, and representatives of CESR. The Group is co-chaired by Mr. Jean-Michel Godeffroy, Director General of the ECB’s DG Payment Systems, and Prof. Eddy Wymeersch, Chairman of the Belgian Commission Bancaire et Financière, as a member of CESR. The ESCB and CESR sought the views of market participants as part of the document drafting process. Furthermore, a seminar was arranged in Warsaw in March 2003 aimed at exchanging views with representatives of countries acceding the European Union.

Interested parties are welcome to provide comments and give their views on both the general regulatory approach being proposed by the ESCB and CESR and the specific details contained in both documents. The standards, once finalised, will be used as a regulatory tool by regulators and overseers and will be more binding than the original CPSS-IOSCO recommendations. Interested parties are, therefore, encouraged to analyse the documents in detail. The standards are interlinked and need to be viewed as a package; reading individual standards in isolation could be misleading. It would be helpful

¹ Changes to the original text of the CPSS-IOSCO recommendations are shown as tracked changes for transparency reasons.

if comments could, whenever possible, be accompanied with precise details of the likely impact of the standards.

The ESCB and CESR welcome contributions from all interested parties, be they clearing and settlement service providers, intermediaries, banks, investment services firms, issuers, institutional investors or industry and trade associations, and especially from retail investors and their organisations. All input should be sent via e-mail to the joint ESCB and CESR secretariat: Elias Kazarian (ECB) at ecb.secretariat@ecb.int and Wim Moeliker (CESR) at secretariat@europesc.org. Contributions should be received by 31 October 2003. When responding, please refer to the paragraph number indicated on the left-hand side of the documents. All contributions received will be made public, including publication on the internet, unless it is clearly indicated that the author does not consent to such publication.

The ESCB and CESR will jointly organise an Open Hearing pertaining to both documents on 2 October 2003 in the CESR office in Paris. To participate in the Open Hearing, interested parties should send a registration form to secretariat@europesc.org.