

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international - employing about 2.5 million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that securely handle more than 300 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth. Website: www.ebf-fbe.eu

Brussels, 19 February 2015

EBF RESPONSE TO ESMA CONSULTATIONS ON DRAFT TECHNICAL STANDARDS, DRAFT TECHNICAL ADVICE AND DRAFT GUIDELINES FOR THE REGULATION ON IMPROVING SECURITIES SETTLEMENT IN THE EUROPEAN UNION AND ON CENTRAL SECURITIES DEPOSITORIES (CSD)

General Comments

The European Banking Federation (EBF) welcomes the opportunity to comment on the ESMA Consultation Papers on Draft Technical Standards (TS), Draft Technical Advice (TA) and Draft Guidelines for the CSD Regulation (CSDR).

The EBF has focused its comments mainly on the settlement discipline part of the ESMA consultation on draft technical standards and from an intermediary perspective. However the Federation has also made some remarks on aspects like CSD authorisation, review and evaluation, cooperation arrangements and CSD links.

In particular, on the proposed draft RTS related to the buy-in process, the EBF believes the most critical flaw is that – for transactions that are neither cleared, nor executed on a European trading venue – the draft RTS place the responsibility for executing and processing the buy-in at the settlement layer, and not – as it should be – at the trading layer. This requirement changes the role of settlement agents and custodians. It transfers counterparty risk from the trading level to the settlement level. The EBF opposes this change strongly and asks ESMA to reconsider its proposals, especially as there are broader policy implications and concerns relating to systemic stability and prudential supervision.

Additionally, the EBF warmly welcomes ESMA's phased-in approach for the implementation of the settlement discipline regime under CSDR and totally agrees with ESMA's justification of an extension of the timeframe. The EBF nevertheless believes that a period of 18 months is insufficient. Substantial and extensive implementation steps will be required from CSDs and CSD participants including the legal set up for contractual arrangements along settlement chains. The EBF would therefore like to invite ESMA to consider a delay of minimum 24 months for the implementation of the settlement discipline measures and procedures.



The EBF has focused its comments on the aspects which are important to banks in their capacity as users of financial market infrastructures at large and participants in CSDs in particular. In this respect, the EBF stands ready to provide additional constructive feedback and proceed with a data gathering exercise among its members should this be useful for ESMA in the process of finalising the required technical standards.