



Post-trade made easy

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Distributed ledger technology applied to securities markets

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Euroclear SA/NV's public ID number in the EU Transparency Register is 88290282308-75.

We welcome the opportunity provided by ESMA to provide our input to ESMA's call for evidence.

Introduction

ESMA's welcome consultation on distributed ledger technology (DLT) is a positive sign that European securities regulators are pro-actively monitoring technological developments in securities markets and considering the implications for post trade regulation. However, we believe that DLT also requires a broader policy discussion, both at global and EU level. At an EU level, it is important that the European Post-Trade Forum, ESMA, the ECB and other stakeholders can express their aligned views on the future legislative and regulatory environment supporting DLT developments. At a global level, IOSCO and CPMI should take the lead. Regulatory acceptance will be crucial for DLT solutions to be implemented on a larger scale, and for their benefits to be realised.

Euroclear is actively pursuing initiatives in the DLT domain as it believes the new technology creates new opportunities to bring value, specifically in areas where operational processes are currently underdeveloped, not fully effective or inefficient. As noted in our response, we see many benefits of DLT but also remaining challenges for the DLT to be deployed successfully. Besides the technical hurdles still to be overcome, the regulatory and legal aspects are clearly among the more important challenges. In the absence of responses to these challenges, the benefits of DLT cannot be fully reaped.