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VP's comments to the revised draft report on Standards for Securities Clearing and Settlement Systems in the European Union.

VP appreciate the invitation to the second hearing on the draft report on the above mentioned standards but is prevented from attending the hearing on May 25th and therefore take the opportunity to send its comments.

VP welcomes the revised report on the above mentioned standards and recognizes many of the changes made in the new revised report. VP refers to our response of October 31st made to the first Consultation published in October 2003.

VP has noted that the group has not included custodians with a dominant position in the ambit of the report and custodians that operate systemically important systems in standard 9. In this regard and in correlation with the earlier response of VP to the first Consultation published in October 2003 this approach does not seem to be in line with a stringent functional approach which would ensure a future level playing field. VP therefore maintains its view in its earlier response to broaden the definition of custodian to which the standards equally should apply.

VP is also of the opinion that the revised report should reflect a consistency with the recently published Communication from the European Commission. Particularly VP has noted an inconsistency in the definition of core activities.

Best regards

VP Securites Services