

19 September 2008

**RESPONSE OF LCH.CLEARNET TO CESR'S CALL FOR EVIDENCE
ON REGULATORY ARRANGEMENTS FOR POST-TRADING
INFRASTRUCTURES**

LCH.Clearnet welcomes CESR's Call for Evidence on regulatory arrangements for post-trading infrastructures and the greater transparency that this process should bring to the continuing discussions on the subject.

LCH.Clearnet was the first organisation to issue requests under the Code of Conduct, in early August 2007, and as is well known, none of the requests made by us and a number of other organisations has yet led to the implementation of a functioning link. CESR's Call concerns the Member States' regulatory and supervisory arrangements and how to address any differences that affect the establishment of such links. These constitute one of a number of obstacles to the realisation of an integrated clearing infrastructure for Europe. LCH.Clearnet has, over the past year, kept the European Commission informed of the specific issues it has encountered, which stem from the lack of a harmonised regulatory and supervisory framework discussed, for example, in the Commission's Communication of April 2004, and we believe these are well known to members of CESR. We expect these to be on the agenda for the CESAME2 group which will commence next month.

None of these were unexpected to us, but what has been surprising is the continuing difficulty of obtaining clear and definitive statements from all of the relevant authorities on what the regulatory requirements for CCPs in fact are, particularly in Germany.

We urge CESR, the Commission and other public bodies to redouble their efforts to resolve these and other issues that are preventing Europe from realising the benefits of the safe and efficient post-trading infrastructure that it needs.

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