



Post-trade made easy

7 February 2014

Euroclear response to the Joint Committee consultation paper on draft guidelines for complaints handling

We are pleased to be given the opportunity to offer Euroclear Bank's views on the Joint Committee consultation on complaints handling dated November 6 2013.

As a provider of market infrastructure services related to securities settlement and custody (as a Central Securities Depository), Euroclear Bank is a financial market infrastructure (FMI) that will be subject to the soon to be adopted EU CSD Regulation¹ (for which both EBA and ESMA will be preparing technical standards). Our comments to your consultation are therefore limited and mainly refer to the need for recognition of the specific nature of our industry.

In short, we believe that CSDs that are credit institutions should not be covered under the scope of the complaints handling procedures for the following reasons:

- Euroclear Bank uses its licence as credit institution solely to support the settlement and custody activity. This limited purpose nature of its banking licence will be formalised under Art 52 of the upcoming CSD Regulation.
- Euroclear Bank, like other CSDs which have a licence as a credit institution, only has wholesale, professional clients and does not offer services to end investors/consumers. We assume that it is not the intention of the Joint Committee to target financial market infrastructures that serve wholesale markets only.
- The operational requirements related to the implementation and maintenance of a complaints handling procedures seem disproportionate for FMIs such as CSDs. We indeed consider that it does not contribute to the reaching of the objective of your consultation, i.e. protecting end consumers.

We therefore request that the Joint Committee considers exempting legal entities that are regulated under the CSD Regulation from the scope of the complaints handling guidelines.

Questions on this response should be addressed to Ilse Peeters (ilse.peeters@euroclear.com) or Olivier Goffard (olivier.goffard@euroclear.com).

¹ Regulation on improving securities settlement in the EU and on central securities depositories (CSDs) and amending Directive 98/26/EC (2012/0029(COD))