



Date: 23 June 2009
Ref.: CESR/09-627

PRESS RELEASE

ESCB and CESR issue recommendations to increase safety and soundness of the post-trading infrastructure in the EU

The European System of Central Banks (ESCB) and the Committee of European Securities Regulators (CESR) have published today recommendations (Ref. CESR/09-446) for securities settlement systems and central counterparties (CCPs) in the European Union (together with a feedback document (Ref. CESR/09-447) to the consultations held in this respect. The recommendations are addressed to regulators and overseers who will use them as a regulatory tool and who will strive to achieve their consistent implementation and a level playing field for securities settlement systems and CCPs in the European Union.

The recommendations published today aim to increase the safety, soundness and efficiency of securities clearing and settlement systems and CCPs in the European Union. They are based on and are at least as stringent as the draft recommendations for securities settlement systems that were proposed in November 2001 and the recommendations for CCPs of November 2004 issued by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions (CPSS-IOSCO). A separate document showing in 'track changes' the differences between the two sets of recommendations (excluding the Annexes) is also published for information (Ref. CESR/09-622).

The European Commission, the Committee of European Banking Supervisors (CEBS) and relevant market participants and associations were closely consulted in this work. On 9 December 2008, all interested parties were invited to an open hearing and to provide comments with respect to the two public consultations which were conducted during the process. Contributions were received from a wide range of national, European and international associations and market participants. The responses were made available on the web sites of the ESCB and CESR, unless indicated otherwise by the respondent and it can be noted that the responses broadly welcomed the recommendations. A large number of comments were taken on board. The separate "Feedback document to the consultations" provides responses to comments not included in the final text of the recommendations.

On 3 June 2008, the Economic and Financial Affairs Council of the European Union (ECOFIN Council) invited the ESCB and CESR to adapt and finalise the "ESCB-CESR Recommendations for securities clearing and settlement in the European Union" as soon as possible. In view of the financial stability risk posed by the growing scale of over-the-counter (OTC) derivatives exposures, the ECOFIN Council invited the ESCB and CESR in December 2008 to consider explicitly addressing the risks of OTC derivatives when reviewing and finalising the recommendations for CCPs. The ESCB and CESR resumed their work in June 2008 and revised the recommendations in line with the ECOFIN Council's requests, taking into account all recent regulatory and legal developments and other initiatives.



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