



EUROPEAN CENTRAL BANK

PANEL III

CCPs and the Future Development of Financial Markets Clearing and Settlement

Introductory remarks

Daniela Russo

Deputy Director General on Payment
Systems and Market Infrastructure

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- I. What are the challenges for securities and derivatives infrastructure
- II. What are the concerns for the Authorities (role of regulation)
- III. What is the role of market forces (and of self-regulation)

I. What are the challenges

Three main challenges:

- I. Establishment of an integrated infrastructure for securities and derivatives in the currency areas where the infrastructure is still fragmented (e.g. euro area)**
- II. International links between CCPs**
- III. Adequate post-trading infrastructure for OTC derivatives**

II. What are the concerns of the authorities

In all the three cases, the authorities should facilitate the establishment of solutions that would ensure:

- Appropriate risk management
- Efficiency (e.g. best execution)
- Fair competition (avoidance of the abuse of dominant positions i.e.
 - equal access of the investors and
 - price transparency

III. What is the role of the market forces

Identify appropriate solutions by facing some difficult choices

- Monopoly versus interoperability;
- Business model of the providers (including appropriate governance);
- Best technical solutions (e.g. CCP vs. portfolio management services; mono/multi-currencies; mono/multi products).