



Post-trade made easy

5 August, 2013

ECB consultation on a draft regulation on oversight requirements for systemically important payment systems

This response is provided on behalf of the Euroclear group.¹

The response may be made public.

We understand that the draft Regulation was not intended to catch those Financial Market Infrastructures, which are regulated as CSDs and securities settlement systems with reference to the CPSS/IOSCO Principles for FMIs (April 2012) and the forthcoming CSD Regulation.

As currently drafted however, the Regulation could cover CSDs, which execute transfer orders if they were to meet the relevant euro currency volume criteria. The definitions are construed in such a way that all formal arrangements for the execution of transfer orders between participants are caught. There is currently no definition of "transfer order" within the draft Regulation.

Consequently, we recommend that the text of the draft Regulation is amended to explicitly exempt CSDs. It could be done as follows:

"this Regulation does not apply to securities settlement systems (being systems which execute transfer orders as defined in the second indent of Article 2(i) of the Directive 98/26/EC)"

Questions on this response should be addressed to Paul Symons (paul.symons@euroclear.com).

¹ The Euroclear group is the world's leading provider of domestic and cross-border settlement and related services for bond, equity, fund and derivative transactions. User owned and user governed, the Euroclear group includes the International Central Securities Depository (ICSD) Euroclear Bank, based in Brussels, as well as the national Central Securities Depositories (CSDs) Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland.