PANEL III
CCPs and the Future Development of Financial Markets Clearing and Settlement

Introductory remarks

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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 or 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).