



**EUROPEAN COMMISSION**

Internal Market and Services DG

FINANCIAL SERVICES POLICY AND FINANCIAL MARKETS  
**Financial markets infrastructure**

Brussels,  
MARKT/G2/MNCT D(2005)

**Subject: EU Clearing and Settlement  
Legal Certainty Group  
3<sup>rd</sup> meeting – 13 September 2005  
Summary of action points**

**1. DEADLINES AGREED FOR FOLLOW-UP ACTIONS**

Remaining answers to Sections III and IV will be provided by **September 27** (laws of Cyprus; Netherlands; Sweden; Czech Republic)

Answers to Sections II and V will be provided by the **end of October**

As a contribution to answering Section II, Commission will distribute existing survey on Company Law contributed to by Member States

Commission will circulate a draft written advice relating to Section III/Question 38 (restrictions on issuer's choice of location for its securities). NB It is not excluded that, when members have seen it, they may wish to insist that it be discussed and not merely concluded by written procedure.

Volunteers for developing prioritised issues to come forward before the end of Friday **September 16<sup>th</sup>**, stating at the time if they wish their preferences among the issues. The final allocation of issues to volunteers will be done only when the number and range of volunteers has been established.

Members to identify national initiatives (as previously requested) before **end of October**.

Members to contribute to bibliography (as previously requested) before **end of October**.

**2. A LIST OF ISSUES THAT THE LEGAL CERTAINTY GROUP WILL FOCUS ON WAS AGREED AS FOLLOWS**

- 1) Scope (1, 3, 4)
- 2) Legal effects of a book entry (7, 12, 22)
- 3) Corporate actions and voting rights (Section II)

- 4) Recognition of status of indirect holdings (5, 6, 10)
- 5) Transfer requirements (17)
- 6) Moment of transfer (19)
- 7) Priority rules (23-25, 29-31 26, 28)

Detail and orientations on how these issues are more specifically to be understood will appear in the 'synthesis report' minutes of the meeting, which we aim to produce as soon as possible.

### **3. AN AGREED SKELETON FOR THE GROUP'S FIRST REPORT**

- 1) Introduction
- 2) What is the perceived problem?

What are the Union and its citizens entitled to expect of the law? What are the barriers (taking into account the work of the Giovannini group)?

- 3) Does the problem in fact exist?

Are the present laws adequate to address the problem? Does the legal position (as revealed by the questionnaire) in fact create barriers and in what way?

Horizontal analysis, concentrating on cross-border aspects of prioritised issues.

[Supplementary case study: material proof of validity of approach with German/English example. NB Inclusion of this has not yet been agreed, and will need to be revisited by the group.]

- 4) Other initiatives

C+S policy work; company law work; UNIDROIT; Hague Securities Convention; work in EU Academia; national initiatives. To what extent are they trying to solve the same problem? What do they propose?

- 5) Special features any EU solution needs to take into account

Allowing for future changes in the market; need for systemic stability; global consistency; existing acquis and regulatory regime; sophistication of the EU markets.

- 6) Of the solutions proposed, do any of them address the EU problems, in whole or in part?

- 7) Advice

<u>Annex One:</u>	Members of group; of sub-group; dates of meetings; etc
<u>Annex Two:</u>	Section III/Question 38 advice
<u>Annex Three:</u>	Bibliography
<u>Annex Four:</u>	Questionnaire material

## **September 2005**

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