

## **RELEASE OF THE ECSDA FIRST ANNUAL STATUS REPORT RELATING TO ITS STANDARDS FOR THE REMOVAL OF GIOVANNINI BARRIERS 4 AND 7**

In April 2003, the Giovannini Group entrusted the European Central Securities Depositories Association (ECSDA) with the task of taking the leading role in removing three of the market barriers to low cost cross-border settlement.

To this end, a dedicated ECSDA working group was set up to address the issues and a first response, including 10 standards, which addressed two of the three barriers, namely barrier 7 relating to operating hours and barrier 4 relating to settlement finality was released in April 2004.

Today, the ECSDA released its first annual status report on the implementation of those standards and is delighted to report that the standards are now considered as final and that significant progress has been made in their implementation.

All members of the ECSDA have discussed the necessary changes with their respective markets and already a third of the necessary changes needed by member CSDs have been made. The status report identifies these cases, as well as documents why implementation has not yet been possible in other cases. Primarily, this is because that some market participants do not yet see the need for change as a priority making implementation in some markets less certain in the short term.

Joel Merere, Chairman of the ECSDA said:

*“The ECSDA members are the first market participants to implement any standards relating to the Giovannini report and we are delighted by the progress that has been made in this area in such a short period of time.*

*Implementation of the standards will create a common system for settlement opening days and hours across Europe and will provide a foundation that will benefit Europe as a whole and will remove barriers to cross border processing. This will greatly benefit Europe as a whole in terms of cost, efficiency and risk.*

*It is important that all Security Settlement Systems implement the standards as quickly as possible to ensure full benefits are obtained.”*

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### **Notes to Editors**

1. ECSDA was established in November 1997 as the Association of European Central Securities Depositories (CSDs), ECSDA has 19 members. ECSDA’s primary objective is to promote harmonisation of market practices in Europe to support the creation of a single European capital market.

ECSDA offers solutions and provides advices on economical, financial, legal and regulatory matters to reduce risk and increase efficiency in pre-settlement, settlement and custody for securities and related to payments across Europe. ECSDA particularly promotes a process flow ensuring highest efficiency with low risk profile, a level competitive playing field for all providers, common standards to remove existing cross-border barriers as well as the exchange of information on legal, tax, regulatory frameworks and market practices to foster harmonisation and international cooperation.

2. ECSDA released its first report in April 2004 and it and the status report can be found on the ECSDA website: [www.ecsda.com](http://www.ecsda.com)
3. Along with European Credit Sector Associations, ECSDA are also responsible for the creation of standards relating to barrier 3 of the Giovannini report which deals with corporate actions. Its first report on this barrier is due to be released within the next three months.