

Mandate for the Advisory and Monitoring Group on EU clearing and Settlement

The Commission Communication on Clearing and Settlement, adopted in April 2004, proposes the setting up of an advisory and monitoring group, composed of high level representatives of various private and public sector bodies involved in the clearing and settlement process and chaired by the Commission. The tasks of the group should be:

1. Supporting the project and ensuring transparency.

The integration of European Securities Clearing and Settlement Systems requires coordinated actions by private and public sector bodies. The launching of these private and public sector-led actions will have important repercussions on the way clearing and settlement functions are performed throughout the EU for the foreseeable future. Strategies and policies of a variety of market participants and service providers will have to change as a result. For the success of the whole project, it is important that all the major bodies concerned are aware of the overall objectives and direction of the project, and transmit them to the market at large.

The group, chaired by the Commission, should help to *support* the project and to *ensure* wide dissemination to the public of all necessary information, explanations and reports on the state of reform. Transparency of the work of the group will be ensured at all times. The group will contribute to building awareness of the relevance of the project for the success of the EU's financial markets and for the attainment of the objectives incorporated in the Lisbon agenda.

2. Ensuring coherent action.

The group should advise the Commission on the coordination of actions by the public and the private sector and on the sequencing for the removal the "Giovannini" Barriers for which the private sector has sole or joint responsibility. The group should also monitor the results of the whole process to help the Commission ensure that its efforts will be sustained at a pace consistent with private sector reforms and developments.

To ensure such consistency of actions, four tasks are expected to be accomplished by the group:

- The group should, first of all, *interface* between the private and public sector bodies involved in the process of removing the Giovannini barriers with the aim of (a) defining interdependencies among the different barriers, (b) helping coordinate detailed action plans and timetables between the public and private sectors, (c) ensuring the consistency of the overall implementation process and (d) monitoring progress and sequencing of actions;
- In this context, the group will also *informally assist* the Commission through the provision, on request, of advice on specific technical issues;
- The group should also *liaise* with the groups of experts that will tackle, more specifically, the legal barriers and the barriers related to tax procedures which are expected to be more difficult to address;
- Finally, it will also need to *liaise* with the Group of 30 and other international bodies to ensure the consistency of initiatives in the EU with those developed at international level.