



FEDERATION BANCAIRE DE L'UNION EUROPEENNE  
BANKING FEDERATION OF THE EUROPEAN UNION  
BANKENVEREINIGUNG DER EUROPÄISCHEN UNION  
(aish)



EUROPEAN SAVINGS BANKS GROUP  
GROUPEMENT EUROPEEN DES CAISSES D'EPARGNE  
UROPAISCHE SPARKASSENVEREINIGUNG



EUROPEAN ASSOCIATION OF COOPERATIVE BANKS  
GROUPEMENT EUROPEEN DES BANQUES COOPERATIVES  
EUROPÄISCHE VEREINIGUNG DER GENOSSENSCHAFTSBANKEN

# **Pan-European Code of Conduct for Clearing and Settlement**

## **Position of the ECSA Users Task Force**

Code of Conduct Monitoring Group Meeting  
Brussels, 10 October 2007



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## *Service unbundling and accounting separation preparation*

- Users welcome the principles of service unbundling and accounting separation.
- Users have not been consulted in the methodology to approach implementing this element of the Code. In particular, we have concerns over how the distinction between “core” vs. “non-core” services will be elaborated.
- Users will not be in a position to pass judgement on the implementation of this element of the Code - information will only be passed from Market Infrastructures to their relevant national authorities.
- We question what securities supervisors will do to interrogate the data which will be provided to them by the MIs, ensure consistency between the reports, and how the competition policy aspects will be addressed



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## *Terms of reference for the external audit process*

- Users welcome the principle of there being a “reassurance report” produced by external auditors to check Market Infrastructures’ implementation of the Code.
- However, we query how users will be involved in the process.
- Auditors ought to be instructed in specific and relevant areas of the report and a full audit (rather than reliance of the self assessment by Market Infrastructures) ought to be undertaken.
- We strongly support the reassurance report and the self assessment forms being disclosed to the MoG (as per the Terms of Reference for the Monitoring Group).



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## *Extending the Code to other asset classes*

- In principle, users support extending the Code to other asset classes.
- However, effective implementation of the Code for equities ought to be the priority.
- Extension of the Code to other asset classes is possible since certain Market Infrastructures have already extended the Code to the suite of products they trade, clear or settle.
- Users have not formally reviewed the extension initiatives taken by some Market Infrastructures nor identified whether the extensions raise specific questions in addition to the ones we have raised for equities.