



FEDERATION BANCAIRE DE L'UNION EUROPEENNE
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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 on the implementation of the Code so far

Code of Conduct Monitoring Group Meeting

Brussels, 21 January 2007



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Is it possible to assess the implementation of the Code today?

No, because users:

- have incomplete information on some aspects (e.g. on access and interoperability and service unbundling and accounting separation); and
- are awaiting the MIs' response on other aspects in response to users' previous requests (e.g. development of ECSDA Conversion Table, categorisation of services)



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Price transparency and comparability - our objectives

- Price information is transparent
- Comparison of prices is possible
- The ECSDA Conversion Table is updated to reflect user requests



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Price transparency and comparability – ECSA re-assessment

Overall impression thus far on implementation by CSDs and CCPs:

- Price transparency – an improving picture
- Price comparability – some good practices but further work required by many

Timetable for ECSA Users Task Force re-assessment of CSDs and CCPs:

- January 2008 – data gathering according to pre-defined common criteria
- February 2008 – consistency check, discussion and decision on exceptions
- March 2008 – transparency and comparability testing by users
- April 2008 – conclusions / presentation of results to MIs and the MoG



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Price comparability – a key objective for users

- What is the uptake of the ECSDA Conversion Table by CSDs?
- What is the status of the requests made by users during 2007 to enhance price comparability in relation to:
 - a distinction of “core” and “non-core” services;
 - the development definitions to accompany the Conversion Table; and
 - the specific proposed amendments suggested by users?



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Access and interoperability – our objectives

- MIs respond to the user driven requests for links to facilitate access and interoperability
- MIs disclose changes to risk profiles arising from the establishment of links, in particular in the clearing layer
- CSDs take into account the likely future development of the TARGET2-Securities platform in their decisions on whether or not to establish links amongst themselves



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Access and Interoperability - where we are today

- Users are aware of many initial and reciprocated requests for access and interoperability that have been made
- But users need information on the overall status of the requests to come to a judgement on the benefits of the exercise
- Users will seek a dialogue with EACH and ECSDA in the coming weeks to better assess the situation



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Code implementation so far – our initial impressions

- Implementation of the Code for equities alone is a complex task and will take more time
- MIs have made many positive steps along the road towards full implementation but work must continue in key areas (e.g. price comparability, results of the requests for links, definition of services etc.)
- Regrettably, users' ability to influence the shape of the implementation of the Code has been limited to date