

Monitoring group of the code of conduct
Summary views from London
Report to the MOG to be held on 9 April 2008

1. The voluntary approach has been shown to work. There has been more change, more quickly, than could have been achieved by legislative intervention. The ECSAs' work on **price transparency** and comparability shows that users need to apply sustained pressure to achieve their objectives.
2. However, certain high profile **interoperability** initiatives have stalled. The users will remain engaged with suppliers; our purpose is to seek to ensure that suppliers live up to their commitments. We remain convinced that a business case is needed to pursue access requests. We remain to be persuaded that there is genuine user demand for all the requests currently being discussed.
3. The recent announcement by a group of seven CSDs that they will seek to deliver a common approach to access and interoperability is welcome – as far as it goes. As ever, the detailed harmonisation of business practices will need to be considered and implemented so as to allow the full benefits of technical connectivity to flow. Users look forward to engaging with the promoters of this project and to reaping the benefits in due course. We would urge the promoters of 'Link Up Markets' to discuss the ways in which the relevant experience gained in the markets served by Euronext can benefit their project. Between them, the CSDs in Link Up markets and the national CSDs in the Euroclear group have over EUR20trn of assets in their systems.
4. Rather than devoting effort to a review of the Guideline, we would prefer to see changes in behaviour by those involved in access and interoperability requests. We would like those involved to report more frequently on the status of the projects; this might take the form of passing existing management reports to supervisors.
5. The work on **unbundling and accounting separation** is also important. Market participants need to be re-assured that this work is proceeding in a way in which they can have confidence.
6. We continue to believe that recent developments in relation to the derivatives market infrastructure demonstrate the need for an analytical framework to support the debate about the objectives of an intervention by policymakers. Existing regulatory policies and processes should be applied, both in relation to financial services regulation and, where applicable, the disciplines of competition law.
7. We met the infrastructure associations in London in March; while this was a useful meeting, we have seen no concrete outputs. We think it would be helpful for the users to have another meeting with the infrastructures before the next MOG meeting.

London Investment Banking Association
4 April 2008