



ECSA Presentation to Commission Code of Conduct Meeting on 29 October

Brussels, 29 October 2009



OUTLINE

- Price Transparency
- Access and Inter-operability
- Accounting Separation and Unbundling
- Summary of Achievements and Conclusions



Price Transparency

- Significant Improvement in Price “affichage” and Transparency
- Greater use of Simulators and Calculators
- Would like more Comparability: Conversion Table
- Tariff reductions shared with markets
- Intermediaries fully involved in Oxera Study going forward

Conclusion:

- Definite Progress



Access & Inter-operability

- Progress: in UK, CH and Nordic Markets, for EMCF as well
- Note these are largely vertical rather than horizontal connections
- And particularly a number of major markets not inter-connected
- Note that risk-sharing and mitigation arrangements need to be refined (cf. LCH.Clearnet MCLA suspended)
- Big issues for Users – impact of GCM effects and additional capital
- Disappointing that regulatory and other barriers have not been lifted
- Non-Code Effects: competition, tariff and fee reductions

Conclusion:

- Some Progress



Accounting Separation & Unbundling

Lack of transparency:

- Self-certification
- Results not shared with Users
- Problems of Assessing this Pillar
- Can regulators/Commission share this with users?

Conclusion:

- Not Proven (May be Timing Issue)



Summary of Achievements and Conclusions

- Progress: Fees and Tariffs down, some links established
- But some major markets not connected: no user choice here
- Still to do: be clear that there is price competition
- Removal of major regulatory and other barriers still needed
- Recall that maintaining resilience and robustness is key
- But the ground has shifted from cash markets to OTC
- And emphasis on risk mitigation and reduction, for instance impact of CCP inter-connectivity
- Users will continue to be involved with the MOG through 2010

Conclusion:

- Some Successes and Progress, but not unqualified