



CSDs: Clearstream (Germany), HELEX S.A. (Greece), OeKB/CCP.A (Austria), Iberclear (Spain), SIS (Switzerland), VP (Denmark), VPS (Norway)

Date: 02 Apr
2008

Countries: Austria, Denmark, Germany, Greece, Norway, Spain, Switzerland

Markets: Austria, Denmark, Germany, Greece, Norway, Spain, Switzerland

Seven CSDs Form Joint Venture

In a press conference held today in Madrid, seven European central securities depositories (CSDs) have agreed to create a joint venture called Link Up Markets to improve efficiency and reduce costs of cross-border post-trade processing in Europe. The seven CSDs are Clearstream Banking Frankfurt (Germany), Hellenic Exchanges (Greece), Iberclear (Spain), OeKB (Austria), SIS SegInterSettle (Switzerland), VP (Denmark) and VPS (Norway).

The joint venture would provide a single point of access for cross border settlements and a common infrastructure into which CSD participants can connect and access the services of other participating CSDs across all assets except derivatives. Link Up Markets central infrastructure will also absorb the differences in communication standards across the markets involved, while leveraging the existing infrastructures and processes of the CSDs. There will be minimal necessary adaptations to be undertaken by participating CSDs. As stressed in the press conference today, participation in Link Up will be open to European and non-European CSDs.

Link Up Markets is scheduled to be launched in the first half of 2009. The seven CSDs will found Link Up Capital Markets S.L., a company which will be based in Madrid, subject to the approval of the relevant competition authorities. There will be two tiers of shareholders and all participating CSDs will have board representation. No single CSD will have a dominant ownership position.

CSD Risk Impact

Clearstream (Germany)

Impacted Risk Type: Financial Risk

Current Rating = AA+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

Each CSD will then have to individually make technical and operational changes to their respective systems to link to the common infrastructure, although it has been maintained that only minimum adaptations will be carried out to participate in Link Up. The potential for operational disruptions has not yet been determined, so the impact on the operational is also placed 'on-watch'.

HELEX S.A. (Greece)

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = On Watch

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OeKB/CCP.A (Austria)

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Iberclear (Spain)

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = On Watch

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SIS (Switzerland)

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

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VP (Denmark)

Impacted Risk Type: Financial Risk

Current Rating = AA
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = AA
Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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VPS (Norway)

Impacted Risk Type: Financial Risk
Current Rating = AA-
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = AA-
Flash Impact = On Watch

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Market Information Impact

Austria

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Denmark

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Germany

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Greece

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Norway

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Spain

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information

Service.

Switzerland

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Austria

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Denmark

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = AA

Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Germany

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A+
Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Greece

Market Rating: A+
Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk
Current Rating = A+
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = A+
Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Norway

Market Rating: A
Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk
Current Rating = AA-
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = AA-
Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Spain

Market Rating: A+
Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk
Current Rating = AA
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = A+
Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Switzerland

Market Rating: AA
Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk
Current Rating = AA
Flash Impact = On Watch

Impacted Risk Type: Operational Risk
Current Rating = AA-
Flash Impact = On Watch

If this plan comes into fruition, participating CSDs will have to contribute to the development of this common infrastructure, which is expected to cost around EUR 10 million. The extent of the contributions is unknown, hence the impact on financial risk is placed 'on-watch'.

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Related Flash: [Clearstream to Form a Joint Venture with Six Other CSDs, 01/04/2008 \(click to view\)](#)

For further information contact:

Ana Giraldo - Americas, Eastern Europe
Jim Micklethwaite - Western Europe, Africa
John Woodhouse - Asia Pacific, Middle East

Tel: (+44) 20 7830 8300 | Fax: (+44) 20 7287 1549

Email: marketflashes@thomasmurray.com

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