

ECSDA Comments on Draft CSD Regulation

Further to our previous newsflash, the European Central Securities Depositories Association (ECSDA) has published its comments on the draft CSD Regulation issued by the European Commission (EC). The Association has highlighted five areas of the draft Regulation that, in its view, should be adjusted as follows:

- CSD links should be facilitated rather than hampered as they are used essentially for cross-border settlement and do not lead to any credit risk exposures between CSDs;
- The authorisation process should be adjusted to allow all CSDs to perform the same set of services once they have been authorised under the EU license rather than create new barriers to the single market;
- The definition of a CSD must reflect its role as financial infrastructure by requiring all three core services defined in the regulation to be performed as part of the CSD's main business activities;
- CSDs' "banking services" should not be compared to the services offered by commercial banks. CSDs' services are limited to supporting an efficient settlement and custody process and they should be permitted within a single legal entity while being subject to strict safeguards in the regulation;
- The divergences between the proposed Regulation and global standards for financial market infrastructures should be addressed and eliminated to allow for consistent implementation and preserve the competitiveness of EU infrastructures.

More information can be found in the official announcement here: [ECSDA position on the EU proposal for a CSD Regulation](#).

Market Information Impact

Global

This newsflash is for information only.

Related Flash: [EC Issues Proposal for CSD Regulation, 07/03/2012 \(click to view\)](#)

For further information contact:

Ana Giraldo - Americas and Eurasia
Barry Morales - Asia Pacific
Guillaume Viteau - Western Europe (incl. EU)
Sinang Chrea - Africa, Middle East

Tel. +44 (0)20 8600 2300 | Fax. +44 (0)20 8741 7468
Email: cmiqueries@thomasmurray.com

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