

SMI Markets: Global

Date: 24 Jul 2014

CSDs: Global (Global)

EC Requests Advice on CSDR from ESMA

The European Commission (EC) has requested the European Securities and Markets Authority (ESMA) to provide the EC with technical advice in relation to possible delegated acts covering certain settlement discipline measures as well as aspects relating to the supervisory cooperation under the Central Securities Depository Regulation (CSDR).

The EC has sent a provisional mandate to ESMA to seek technical advice on:

- The parameters for calculating the cash penalty that a CSD will normally charge for settlement fails;
- The circumstances that may justify an increase of the basic amount of the cash penalty and the parameters for the calculation of such an increase, whilst applicable under an automated system;
- The circumstances that may justify the reduction of the basic amount of the cash penalty and the parameters for the calculation of such a reduction whilst applicable under an automated system; and
- How to adapt the parameters for the calculation of cash penalties in the context of a chain of independent transactions and whether there are cases where this would not be possible.

In addition, another mandate addresses the assessment of 'substantial importance' within the meaning of CSDR. This is important because Article 24(4) of CSDR states that home and host competent authorities shall establish formal cooperation arrangements for the supervision of a CSD where the activities of the CSD have become 'of substantial importance for the functioning of the securities markets and the protection of the investors' in the host Member State.

The EC has requested that the advice from ESMA be given nine months after the entry into force of CSDR.

For a copy of EC's request to ESMA, please click here: [EC Request Advice on CSDR from ESMA](#)

Market Information Impact

Global

This Newsflash is for information purposes only.

CSD Risk Impact

Global (Global)

CSD Rating: -

CSD Flash Impact: Stable

This newsflash is for information purposes only.

Related Flash: [ECSDA Comments on ESMA's Discussion Paper on Draft Technical Standards for CSDR, 22/05/2014 \(click to view\)](#)

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