

The Cooperation between Public and Private Sector – Key to Success

Agenda

- **The Giovannini Report II revisited**
- **Seven reasons for a close cooperation between the public and the private sector**
- **Three practical examples**
- **Conclusions**

The Giovannini Report II revisited

- The role of the Giovannini Reports in raising awareness of the real problems of inefficiencies
- The removal of 9 out of 15 barriers is proposed to be the responsibility of public authorities
- Two years after the publication of the second Giovannini Report – a sober interim assessment of achievements

Seven reasons for a close cooperation between the public and the private sector

- The public sector is faced with an unusual degree of complexity and lack of in-depth expertise and know-how
- The private sector lacks the authority to remove key impediments to higher efficiency and lower cost and risk
- In reality, most barriers have multiple roots of an operational and legal / fiscal / regulatory nature
- Only solutions supported by the public and the private sector will be sustainable

Seven reasons for a close cooperation between the public and the private sector (contd.)

- Resistance to change within the public and the private sectors requires action in concert
- Timely and cost-effective implementation of agreed solutions depend on coordination and cooperation by responsible public and private sector institutions
- A European clearing and settlement landscape that is globally competitive, cost efficient and safe is in the interest of both private and public sector

Three practical examples

- Harmonising operating hours and settlement deadlines (Barrier 7)
- Ensuring a level playing field by removing the impediments to remote access to national clearing and settlement systems (Barrier 5)
- Harmonising rules relating to corporate actions processing (Barrier 3)

Conclusions

- The process of change needs to be accelerated by both public and private sector institutions to avoid loss of credibility
- The CESAME Group is an important and valuable instrument of cooperation and coordination – its effectiveness is to be enhanced
- To monitor and advise is fine, to act is better: “Market participants driving the process of integration are to be considered successful if they end up minimizing government involvement.” (Alberto Giovannini)