

# **The European Securities Forum – its activities, priorities and concerns**

## Agenda

- **ESF's profile – constancy and change**
- **Assessment of the current clearing & settlement landscape in Europe**
- **Responsive to a changing environment**
- **The Operations Committee**
- **The way forward: implementation**
- **Conclusions**

## **ESF's profile – constancy and change**

- Unchanged key principles
- Change of focus in a changing environment: from the vertical vs horizontal debate to the gruelling work of the Operations Committee
- Representing the largest market operators active in the European securities markets
- Sole organisation focusing exclusively on the European post-trade part of the value chain

## **Assessment of the current landscape of clearing & settlement in Europe**

- The value of analytical work performed by CPSS-IOSCO, ISSA, G 30, Giovannini Group, ESCB-CESR, EU Commission
- The current state of consolidation and integration – strategy vs. reality
- Risks of delaying harmonisation and integration
- Challenges of the implementation phase

## **Responsive to a changing environment**

- The broad consensus achieved at global and at European level: key condition to success
- ESF's complementary approach
- The objectives of ESF's Operations Committee: defining priorities and and specific requirements of market operators
- ESF's role as an agent of implementation

# The Operations Committee: Results

- **The first set of priorities and specific requests**
  - Standardisation and harmonisation of communication
  - Harmonisation of settlement timeframes / operating hours and corporate actions
  - Removal of restrictions of open access and free choice
  - Harmonisation of the legal environment in Europe

# The Operations Committee: Results

- **Action plan # 1 for 2003**
  - Criteria
    - short timeframe
    - priorities markets
    - least disruptive
    - tangible benefits at lowest investment cost

# The Operations Committee: Results

- 8 very specific actions to be tackled simultaneously
  - BIC in France and Switzerland
  - UK 15022 for securities financing in the UK
  - First step towards standardisation of corporate action events
  - Standardisation of settlement timeframes and operating hours
  - Automation of tax reclaim in Italy and Switzerland
  - Elimination of registration process in Spain
  - First step towards legal harmonisation across Europe
  - Home country passport principle for regulation

## **The way forward: implementation**

- Encouraging response to ESF's Call for Action
- Action plan 2003: first achievements
- The importance of legal harmonisation
- Rallying the support of organisations with similar objectives
- Set the stage for cooperation and coordination
- The interdependence of influence and representation – ESF's role as a recognised “messenger” between the market and EU public sector bodies

## Conclusions

- The urgent need to start the implementation process and to build momentum
- The case for cooperation with the public sector and among private sector organisations
- Europe as ESF's centre of gravity: the call for a European solution – compliant with global standards
- ESF: an agent of implementation representing the market