

# **The European Securities Forum – Action Plan for 2004**

# Agenda

- **ESF's profile**
- **ESF's assessment of the current situation**
- **Review of Action Plan for 2003**
- **Unchanged parameters for Action Plan for 2004**
- **The Action Plan for 2004**
- **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 – ESF as agent of change
- 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

## ESF's assessment of the current situation

- Post G-30 / Giovannini II: a missed opportunity to build the required momentum
- Why the endorsement and support by the public sector matters
- The role of ESCB-CESR
- The Communication of the EU Commission

## Review of Action Plan for 2003

- Mostly excellent cooperation with private sector organisations: ECSDA, SIS, Euroclear, Iberclear, EFMLG, FMLC - achievements
- Difficulties in dealing with public sector authorities, particularly with respect to cross border tax reclaim
- Set up of ESF's Legal Committee

## Unchanged process and parameters for Action Plan for 2004

- Modus operandi of the Operations Committee
- Criteria
  - tangible benefits at lowest investment cost
  - short timeframe
  - priorities markets
  - least disruptive
- Context: G-30, Giovannini II, ESF medium term objectives

## The Action Plan for 2004

- Reach agreement with ECSDA on harmonisation of pre-settlement date matching information details provided by CSDs.
- Reach agreement with FESE and ECSDA on proposed harmonisation of record and ex date and on proposed procedure to resolve identified problems related to voluntary corporate actions for equities.

Find solution to make the non-US certification process more cost effective.

## The Action Plan for 2004

- Reach agreement with Monte Titoli and Iberclear to allow remote access.  
Start discussions with ECB on remote access to central banks in the Eurozone.
- If the creation of new CCPs is unavoidable (e.g. Nordic countries), they should use existing infrastructure, clearing techniques and procedures (risk management algorithms, messaging etc.)

## The Action Plan for 2004

- Reach agreement with the Italian, Swiss and Danish tax authorities to allow automation of cross border tax reclaim process.  
Resolve the issue of payment backlog with the Italian authorities.
- Analyse the nature of restrictions for German securities (legal / non-legal requirements) and reach agreement with Deutsche Börse Group to remove the restrictions not caused by German legal requirements.

# The Action Plan for 2004

- Reach agreement with the relevant authorities to provide for dematerialisation in the UK
- Consolidation of LSE trade and transaction reports and harmonisation of LSE and Euronext transaction reporting requirements

## Conclusions

- Excellent support for the Action Plan for 2004
- The urgent need to accelerate the implementation process and to build momentum
- The case for cooperation with the public sector and among private sector organisations as valid as ever
- The case for cooperation between market users and market infrastructure organisations
- ESF membership: relentless efforts to enhance its representative character on the basis of agreed objectives and principles