

1st Meeting of the European Post Trade Group

Summary of Discussion

22/03/2012

- The first meeting of the European Post Trade Group (EPTG) was hosted by the European Commission on 22 March 2012. The focus of the meeting was on securing agreement on its Terms of Reference, selecting independent experts to join the Group, and setting initial priorities to work on.
- The members felt that the Group should provide a major contribution to driving reform in the post-trade area because it is ideally positioned to provide a strategic overview that is currently missing.
- It was agreed that the members participate as experts and would not necessarily represent their constituencies (this allows for free, non-binding contributions based on professional experience). Their positions do not have a binding effect on these constituencies.
- The point was made that the Group should not discuss on-going legislative or regulatory initiatives as there is a dedicated consultation process. However, a number of post-trade harmonisation activities are based on the outcome of these legislative and regulatory initiatives.
- The Group is committed to operate on the basis of consensus. It cannot be expected to reach unanimity at all times on all subjects, however, it should be able identify the problems and set out the advantages and disadvantages on any given solution.
- The Group will not restrict the prerogatives of the ECB, ESMA, and Commission. However, while it cannot act on certain issues, it is essential that it considers the post-trade landscape in its entirety to ensure that it makes careful, comprehensive contributions.
- Considerable emphasis was given to the importance of transparency. It is important that the decisions and processes of the Group are open and clear to all stakeholders. This is essential to ensure wider engagement and build support for future initiatives.
- The members decided on the nomination of two independent experts (Alberto Giovannini and Peter Norman) to join the Group.
- The members also agreed on the option of inviting other independent experts to join the Group on an *ad hoc* basis to assist with specific issues.
- The members finalised the composition of the Secretariat to support the Group (see below).
- It was agreed that the Group should, in principle, meet three times a year, with a rotating chair between the Commission, ECB, ESMA, and industry stakeholders. It was also agreed that phone conferences should be scheduled between the members to monitor progress in the interim.
- The Group will set up expert working groups for issues that are not currently tackled under other initiatives. Individual Group members ('sponsors') will ensure that the working group deliverables are timely and adequate.
- The Group will start its work by conducting a stock-taking exercise and identifying areas for action. It will draw up a Market Infrastructure list of issues on the basis of the existing harmonisation lists: the Giovannini barriers, the T2S list, and the EGMI list.
- The Group will invest effort in consolidating and carefully considering all these lists including implementation deadlines and the actors responsible. This will require analysing the current situation by asset class for the activities of clearing, settlement, and holding along the value chain in order to identify

areas where intervention may be required. It will then identify gaps either in the harmonisation activities or the responsible actors.

- On the basis of this analysis, the Group will decide on the areas it should focus on, taking into account their urgency and priority, and the need to avoid duplications. It will agree key short, medium, and long term priorities, and set measurable targets and timeframes.

Next Steps

1. The next meeting of the Group will be hosted by the ECB/T2S in Frankfurt at the latest in September, on a date to be confirmed.
2. Circulation of updated Terms of Reference for final agreement, along with an updated contact list (including alternates) by 30 March 2012.
3. Co-ordination of the development of an updated gap analysis by the Secretariat with input from Steering Group members by 27 April.
4. Members to feed back to constituencies on progress.

Chair – Patrick Pearson (European Commission)

Members – Paul Bodart (Bank of New York Mellon), Rodrigo Buenaventura (ESMA), Elizabeth Corley (Allianz Global Investors), Jean-Michel Godeffroy (ECB), George Handjinicolaou (ISDA), Markus Kaum (Munich Re), Yvon Lucas (T2S Programme), Joel Merere (Euroclear), Daniela Russo (ECB) – *replaced by Simonetta Rosati (ECB) during this meeting*, Marcus Zickwolff (Eurex).

Secretariat – Werner Frey (AFME), Nathalie Piscione (ESMA), Chris Redmond (Commission), Helmut Wacket (ECB/T2S), Anita Wieja-Caruba (Commission)