

Summary of discussion

9TH MEETING OF EUROPEAN POST-TRADE GROUP

Hosted by European Commission

24 June 2015, 10:30 – 16:00 CET

Participants

AFME	Mr Werner Frey
BNP Paribas	Mr Marc Tibi
ECSDA	Mr Mathias Papenfuß
ECB-DG/MIP	Mr George Kalogeropoulos
ESMA	Ms Alina Dragomir
European Commission	Ms Jennifer Robertson (Chairperson)
European Commission	Ms Miriam Parmentier
European Commission	Ms Agata Malczewska
European Commission	Ms Olga Tytoń
European Commission	Mr Tomas Thorsen
European Commission	Mr Christoph Emsbach
Independent expert	Mr Peter Norman
ISDA	Mr George Handjinicolaou
Munich RE/DAI/European Issuers	Mr Markus Kaum
T2S Board	Mr Paul Bodart
T2S Board	Mr Yvon Lucas

1. Chairperson's introduction

The Chairperson welcomed the members of the EPTG. The purpose of the meeting was to discuss the post-trade issues in the context of the Capital Markets Union (CMU) project as indicated in the feedback from the public consultations on the Commission Green Paper on the CMU (see: http://ec.europa.eu/finance/consultations/2015/capital-markets-union/index_en.htm).

2. CMU Green Paper and discussion on objectives for post-trade

Miriam Parmentier presented the CMU Green Paper and its objectives, as well as briefly described the main issues raised by the respondents in relation to post-trade.

The post-trade aspects of capital markets were mentioned by numerous stakeholders with a number of issues which are considered important for further harmonisation. Several EPTG members underlined the need for the removal of the remaining Giovannini barriers (i.e. those not tackled by T2S).

The Group discussed those issues in greater detail focussing mainly on various aspects of cross-border securities settlement and flow of collateral. Issues discussed included:

- legal certainty around securities/collateral transfer and reuse;
- settlement finality and insolvency rules;
- other issues such as:
 - withholding tax procedures and other taxation related barriers – some EPTG members spoke out in favour of determined action to implement the T-BAG Group recommendations;
 - Shareholders' transparency and registration procedures;
 - Insolvency procedures;
 - reporting requirements under various new European rules.

Finally, some EPTG members informed the Group about progress made by private sector working groups dealing with ETF processing and shareholder transparency.

3. Next steps

The Group underlined that given the regulatory changes introduced during the last few years (including EMIR, MiFID and CSDR), the primary objective should be the monitoring of the effects of the new legislation on the markets although targeted initiatives may be required in certain areas.

CMU is perceived as a new opportunity to address the remaining areas, though not necessarily through new European legislation. A broader dialogue between the Commission and industry would be welcomed. To this end, the Group agreed that it

would be ready to assist the Commission in searching for solutions for remaining post-trade issues on the CMU agenda.

Information on the next steps can be found on the Commission's dedicated website. The CMU action plan is likely going to be published in September 2015: http://ec.europa.eu/finance/capital-markets-union/index_en.htm