



PRESS RELEASE

4 December 2000

Plans for a European Central Counterparty

1. The CCP-Action Group, a sub-group of the European Securities Forum (ESF), met at Deutsche Bank in Frankfurt on 30th November to finalise the ESF Blueprint for a single, pan-European CCP. This document will be publicly available shortly.
2. The ESF's priority is a CCP for equities but it intends that the CCP will eventually embrace all securities and derivatives products in order to maximise efficiency benefits for all of the European financial services industry.
3. The CCP-Action Group remains committed to pressing forward quickly for concrete progress. As an interim step before the issuance of a request for proposal (RFP), members of the ESF will invite existing Clearing Houses in Europe to respond to the Blueprint and propose workable solutions to the ESF either independently or, preferably, in partnership. A formal RFP will not be issued as long as rapid progress with these service providers is achieved.
4. As part of the discussions with the service providers, the ESF will sponsor a technical assessment and scalability evaluation to benchmark existing IT solutions of the European Clearing Houses against the criteria of the CCP Blueprint. This reflects the intent of the ESF to endorse an evolutionary development process towards a European CCP solution based on the experience and success of existing European clearing solutions.

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european securities forum

Notes for Editors:

The ESF believes that future developments of securities trading systems make vertical ownership structures (Stock Exchanges, CCPs, Settlement, CSDs) inappropriate for a pan-European capital market. The EU target for the realisation of this capital market is not later than 2005 (The Financial Services Action Plan) or sooner (the Lamfalussy Report).

Furthermore the present fragmentation of post-trade processing makes the capital markets of Europe unnecessarily costly and therefore less competitive.

The ESF was created in 1998 and represents the collective view of 24 of the largest world-wide investment organisations. The ESF comprises the major users of the clearing and settlement infrastructure in Europe. The forum has been established in response to rationalisation initiatives within the industry, to act as a neutral and objective facilitator of a rapid progression towards a powerful, efficient European capital market infrastructure. The current members of the ESF are as follows:

ABN AMRO Bank NV	The Chase Manhattan Corp.	JP Morgan
Banca d'Intermediazione Mobiliare IMI S.p.A.	Citigroup Inc	Lehman Brothers
Bank of New York	Credit Suisse Group	Merrill Lynch
Barclays Bank plc	Deutsche Bank AG	Morgan Stanley Dean Witter
Bayerische Hypo und Vereinsbank	Dresdner Bank AG	Nomura International plc
BNP Paribas	Fortis Bank	State Street Bank & Trust
BSCH	Goldman Sachs	UBS AG
Caisse des Dépôts et Consignations	HSBC Holdings plc	Van der Moolen
	ING Barings/BBL	

The CCP-Action Group is an ESF Working Group with representatives from BNP Paribas, Citibank, CSFB, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley Dean Witter and UBS.

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