



# ESF Contribution to the EU Commission Consultation on Clearing and Settlement

Key points

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Article by Mr Joan Beck and Dr. Werner Frey

**The key points of the European Securities Forum with the creation of a uniform securities code as the single most important requirement for an integrated European capital market.**

- An integrated clearing and settlement environment is an essential precondition for efficient post-trade processing of cross-border securities transactions.
- Simultaneous and concerted actions of the private sector and national and EU authorities will be required to remove existing barriers, competitive distortions and unequal treatment.
- ESF welcomes an acceleration of the process of legal and regulatory harmonisation in Europe by the EU Commission.
- European non-EU countries with a sizeable financial sector should be included in the process of legal and regulatory harmonisation.
- The removal of restrictions embodied in national law and **a single legal framework in form of a uniform securities code** are the highest priorities for political and regulatory bodies.

- The highest priorities for the private sector are the establishment of communication standards and the development of harmonised processes and procedures.
- PRIMA and the Hague Convention can only be interim solutions to resolve the legal fragmentation in Europe; therefore ESF firmly supports the development of a uniform securities code for Europe that includes the issues of insolvency and transfer of ownership.
- Common functional definitions of clearing and settlement activities are the basis to create a level playing field.
- EU legislation should provide comprehensive rights of open access and choice.
- Common high-level regulatory principles should aim at reducing risk and increasing efficiency; they should be supplemented by industry best practices in the areas of operations, IT standards and risk management.