



February 2005

## Executive Update - achievements 2004, objectives for 2005

Dear Executive,

With the excellent support of our members we relentlessly and persistently strive for change in clearing and settlement in Europe to **increase efficiency and liquidity** and to **reduce cost and risk**. The current discussions on a possible takeover of LSE reflect the growing importance of the post-trade part of the value chain.

In 2004 our activities successfully focused on

- **harmonising pre-settlement date matching processes** to increase settlement efficiency rates and reduce risk of fails
- **standardising corporate actions processes** - a first proposed standard to standardise record and ex date will largely reduce the need for compensation payments with benefits for the industry in the tens of millions of Euros
- **efforts to liberalise rigid structures** such as providing for remote access in Italy, removing the current registration process in Spain, Deutsche Börse liberalising the rules and regs on clearing and settlement
- **dematerialisation in the UK**, a model for successful cooperation of the relevant private and public sector institutions; industry group estimates cost savings in excess of £ 100 million over three years.

Our objectives for this year, laid down in the **Action Plan 2005**, will again build on the Giovannini Report and the G-30 Recommendations. Our activities 2005, often with a roll-over character of our initiatives started in 2004 and embedded in the work of CESAME Group set up by the European Commission, are targeted at our role as

- **agent of change**
- **leader in proposing practical solutions**
- **initiator of a close cooperation among private sector organisations and with public sector authorities.**

The attached Action Plan 2005 outlines achievements 2004 and the objectives for 2005 in greater detail.

Joan Beck  
Chairman

Werner Frey  
Chief Executive Officer

25-28 Old Burlington Street London W1S 3AN	Telephone: +44 (0)20 7478 4210 Facsimile: +44 (0)20 7734 2253 Email: <a href="mailto:secretariat@eurosf.com">secretariat@eurosf.com</a> Website: <a href="http://www.eurosf.com">www.eurosf.com</a>	Registered Office 30 St. James's Street London SW1A 1HB	European Securities Forum is a limited liability company registered in England and Wales under no. 4011370
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