

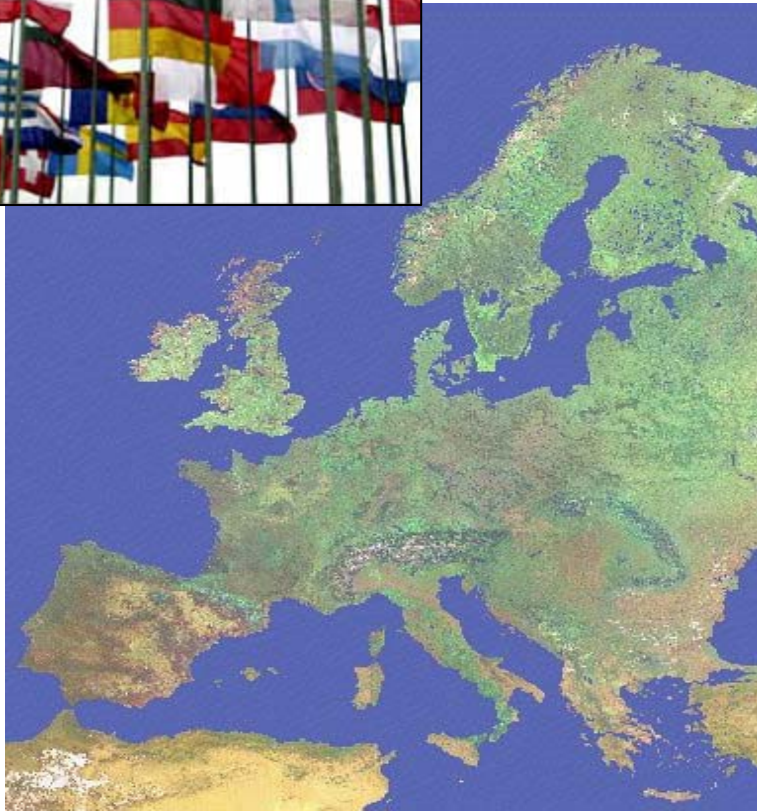


## Update: European Consolidation

**Peter Gnepf, ISSA Secretariat**

7th ACSDA General Assembly

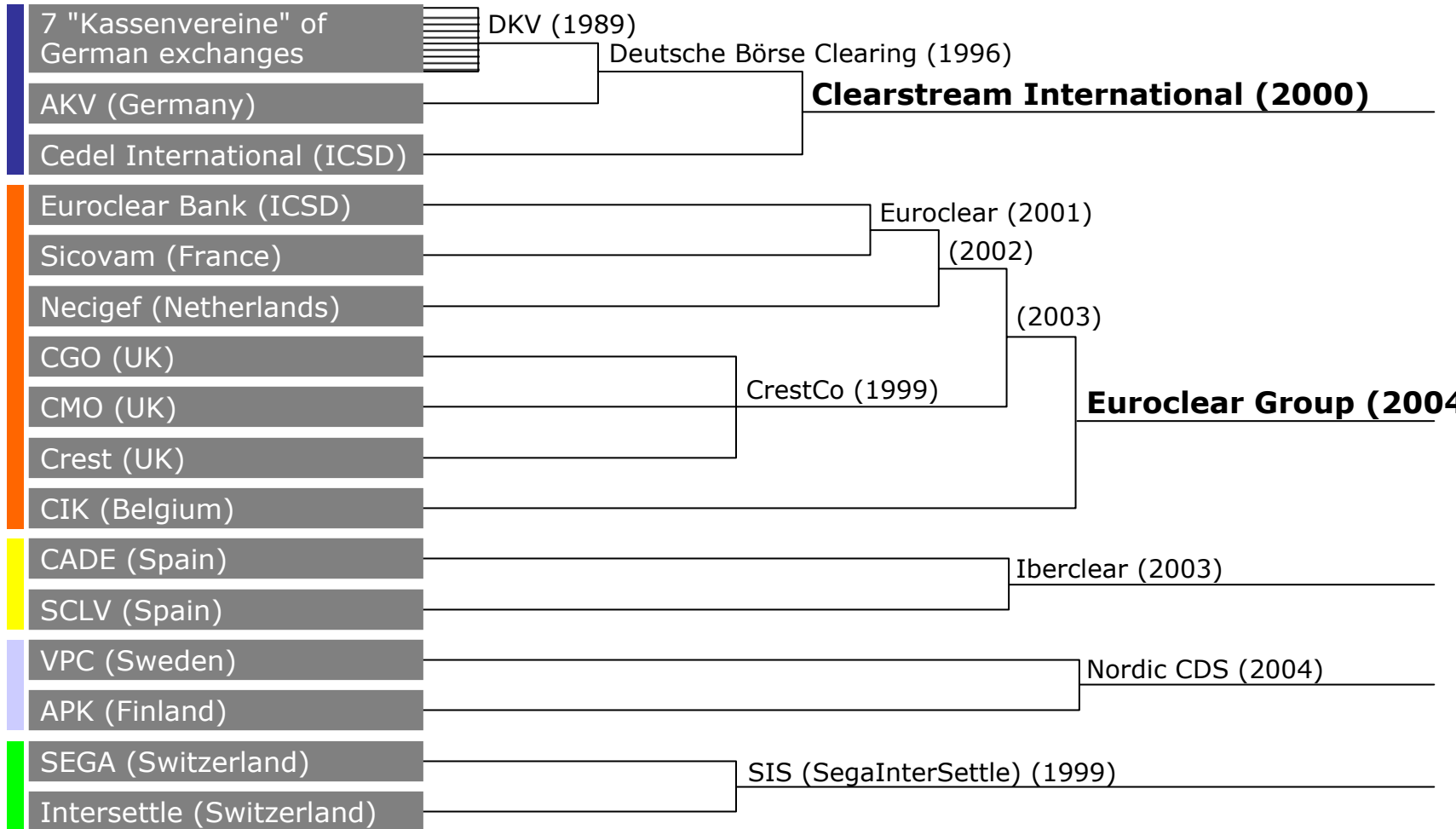
# Capital Market Europe



## Fact Sheet:

- 25 EU member countries
- 450 million residents
- 60 million custody accounts
- 350 million trades p.a.
- 20 trillion EUR assets
- 40 CSDs
- 30 stock exchanges
- 25 derivative exchanges
- several thousand banks

# Consolidation of CSDs and ICSDs



Source: Deutsche Börse Group, "The European Post Trade Market", 2005

# Consolidation of Markets



# Giovannini Group "15 Barriers"

1. IT standards and interfaces
2. Mandated settlement paths
3. Market practices in asset servicing
4. Absence of intra-day finality
5. Practical impediments to remote access to SSS
6. Settlement timings
7. Absence of synchronized system operating hours
8. Diverging issuance practices
9. Restrictions on safekeeping location of securities
10. Restrictions on primary dealer activity

Market  
Practice

11. Withholding tax issues
12. Collection procedures for transaction taxes

Tax

13. Legal treatment of interests in securities
14. Legal treatment of netting
15. Diverging conflict of law rules

Law

# EU Commission's principles

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- ◆ Market users: full freedom to choose provider
- ◆ Market operators: full freedom to compete
- ◆ Market regulators:
  - system safety
  - investor protection
  - no monopoly practices