



**COUNCIL OF
THE EUROPEAN UNION**



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Central securities depositories: Council confirms agreement with EP

The Permanent Representatives Committee today approved¹, on behalf of the Council, an agreement reached with the European Parliament on new rules aimed at improving safety in the securities settlement system and at opening the market for central securities depositories (CSD) services ([6828/14](#)).

Provisional agreement with the Parliament was reached on 18 December and will enable adoption of the regulation at first reading. The Council had set out its position in September.

The regulation needs to be in place for the European Central Bank's "Target2-Securities" initiative to begin operating as planned in 2015.

The draft regulation introduces an obligation to represent all transferable securities in book entry form and to record them in CSDs before trading them on regulated venues. It harmonises settlement periods and settlement discipline regimes across the EU and introduces a common set of rules, inspired by international standards, addressing the risks of the CSDs' operations and services. As a result, CSDs will benefit from uniform requirements for licensing and an EU-wide "passport", which will help remove existing barriers of access to the market.

¹ The decision was taken without discussion.

P R E S S

Securities settlement systems in the EU settled approximately €920 trillion worth of transactions in 2010, and held almost €39 trillion of securities at the end of 2010. There are over 30 CSDs in the EU, generally one in each country, and two international CSDs (ICSDs: Clearstream Banking Luxembourg and Euroclear Bank) that are specialised in the issuance of international bonds.
