

Brussels, 30 June 2020

ECSDA FEEDBACK ON RECOMMENDATIONS BY THE HIGH-LEVEL FORUM ON CAPITAL MARKETS UNION

The European Central Securities Depositories Association (ECSDA) welcomes the recommendations put forward by the High-Level Forum (HLF) on Capital Markets Union (CMU) in the report “A new vision for Europe’s capital market”, published on 10 June 2020.

In particular, ECSDA takes the opportunity to express its gratitude for the three recommendations included in the report related to targeted amendments in the Central Securities Depositories Regulation (CSDR), aiming at “*Building stronger and more efficient market infrastructures*”. These would contribute to a deeper CMU by creating a coherent regulatory environment for European infrastructure.

In November 2019, ECSDA also called for a tailored review of the CSDR.

ECSDA and its members deem appropriate addressing those elements in CSDR that hint harmonisation, the fostering of the CMU and prevent CSDs from supporting market integration.

These elements, as also outlined in the HLF report, relate to:

1) CSDs passporting and CSDs links

We suggest avoiding the creation of new barriers by introducing complicated and divergent requirements to open and maintain links across Member States. We agree that more convergence should be applied to links, but we do not believe that this would require the review of the actual provisions. These indeed aim to ensure an adequate level of asset protection for all assets safekept in a CSD and are hence designed to ensure the highest level of protection for investors against loss of assets or undue care in the custody chain.

2) Cross-border payments and access to Central Bank and commercial liquidity

We ask facilitating the access to national central banks of non-domestic currency, re-assessing the threshold and percentage under Article 54(5).

3) Supervision of CSDs

We call for supervisory convergence across National Competent Authorities and Member States and a reduction of administrative burden for CSDs.

ECSDA thanks the European Commission and the HLF on CMU for taking on board the considerations. Working on these specific barriers will undoubtedly ease the completion of the CMU and help European CSDs themselves to back this project.

We remain at your disposal and stress that ECSDA supports a positive and proactive dialogue between European institutions and authorities and market participants as deemed key element in the achievement of common goals.

About ECSDA

ECSDA represents 41 national and international central securities depositories (CSDs) across 36 European countries. The association provides a forum for European CSDs to exchange views and take forward projects of mutual interest. It aims to promote a constructive dialogue between the CSD community, European public authorities and other stakeholders aiming at contributing to an efficient and risk-averse infrastructure for European financial markets.