

EUROSYSTEM STATEMENT ON CENTRAL COUNTERPARTIES AND INTEROPERABILITY

TERMS OF REFERENCE

In the context of the implementation of the European Code of Conduct for Clearing and Settlement, an issue has been raised concerning the compatibility of the “Eurosystème’s policy line with regard to consolidation in central counterparty clearing” of September 2001 (hereinafter referred to as “the statement”) and the Code of Conduct, with specific reference to the implementation of links between clearing systems located in and outside the euro area.

In this respect, it is necessary to recall the general nature of the policy described in the statement, which stems from the Eurosystem’s responsibilities in terms of ensuring the smooth execution of monetary policy operations, the efficient and smooth functioning of euro payment, settlement and clearing systems, and financial stability in general. In the same vein, the Eurosystem statement explicitly supports “various forms of integration in central counterparty clearing, such as interoperability, alliances, joint ventures and mergers”¹, and even supports cooperation “between providers of central counterparty clearing services at a global level”².

These considerations show that the statement cannot be considered (or interpreted) as an impediment or obstacle to any specific market initiative, including the interoperability linkages being implemented within the framework of the Code of Conduct.

It should also be noted that the Code of Conduct focuses on efficiency-related aspects of the post-trading sector. The safety of market infrastructures, the systemic risks that these can pose to the financial system and financial stability issues in general fall outside the scope of the Code of Conduct and should be addressed by the national authorities of the various markets involved. Therefore, the Code of Conduct, which aims to allow users the freedom to choose their preferred service provider at each stage of the transaction chain, does not relieve service providers of the obligation to comply with other provisions established by relevant authorities to address risks or financial stability concerns. In this respect, the 2001 statement, which emphasises that the clearing and settlement infrastructure for securities and derivatives denominated in euro should be located within the euro area, is relevant when addressing financial stability concerns.

¹ Section (c) of the explanatory note to the statement

² Section (e) of the explanatory note to the statement