

PRESS RELEASE

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**SECURITIES INDUSTRY DELIVERS DETAILED ACCESS AND INTEROPERABILITY
GUIDELINES IN LINE WITH THE CODE OF CONDUCT**

Today, Europe's trading platforms, central counterparties and settlement systems have agreed and published a set of detailed Guidelines that aim to make the concept of 'cross-border' redundant for securities transactions within the European Union. The new Guidelines provide a basis for the development of new links between these organisations which would offer market participants the freedom to choose their preferred clearing and settlement provider, building on the provisions due to come into effect under the Markets in Financial Instruments Directive. They form a major deliverable under the timetable established by the European Code of Conduct for Clearing and Settlement signed by the same Organisations in November 2006.

The Guidelines were delivered to the Commission on 28 June 2007 in advance of the deadline of 30 June 2007 established by the Code of Conduct. They deliver a set of public guidelines that contain detailed definitions and principles which trading platforms, central counterparties and settlement systems have agreed to apply to the way in which they will seek access to, and interoperability with, each other. The Guidelines also provide for a mediation mechanism to resolve potential disputes between organisations.

The Guidelines were negotiated through joint meetings of the three main trade associations (Federation of European Securities Exchanges, the European Association of Central Counterparty Clearing Houses and the European Central Securities Depositories Association) These discussions were undertaken in consultation with market participants and with the European Commission.

Judith Hardt, the Secretary General of FESE said "The Guidelines will amplify and complete the implementation of the Market in Financial Instruments Directive (MiFID) and hopefully lead to an efficient integration of European securities markets. This is, of course, subject to the removal of remaining legal, fiscal and regulatory barriers".

Ann Flodström, the Chairwoman of EACH said "For the first time, principles for interoperability between CCPs have been outlined and adopted. These Guidelines will serve as a frame of reference as our members establish agreements between themselves in order to provide user choice of clearing across Europe's markets."

Joël Mérére, the Chairman of ECSDA said "These Guidelines are an important landmark in the development of securities settlement in Europe showing that a market approach can be far more effective than legislation in delivering quick and effective change. The guidelines should enable the delivery over time of real competition between settlement systems, through access and interoperability, on an open and transparent basis."

The full text of the Guidelines is available from www.fese.eu, www.eachorg.eu and www.ecsda.com

Notes to editors

- 1 The European Code of Conduct for Clearing and Settlement was signed on 7 November 2006. It contains three main deliverables; price transparency by end December 2006 (which the Signatories have already achieved), the delivery of Access and Interoperability Guidelines by end June 2007 (which were delivered to the Commission on 28th June 2007) and Unbundling and Accounting Segregation of some services (for delivery by end 2007).
- 2 The negotiations were facilitated by the project management services firm, Projective. (www.projective.be).

For further information contact:

Judith Hardt	FESE	+32 2 551 01 80
Rory Cunningham	EACH	+44 799 056 4126
Joël Mérére	ECSDA	+33 607 028 325