

Mrs Daniela Russo
European Central Bank
Eurotower
Kaiserstrabe 29
60 311 Frankfurt am Main

Allemagne

La Défense, October 11th, 2013

Subject : Response to consultation on Recovery of financial market infrastructures

Dear Madam,

We welcome the opportunity to respond to the consultative report on Recovery of financial market infrastructures.

As a general remark, we would like to underline that we welcome the ambitious effort to develop a common regulatory infrastructure for all MIs. In an increasingly open European market, this offers all players a clear long-term view, as well as a basis for a clear level playing field.

Please find below the summary of our main comments as outlined during the 9th October 2013 meeting.

First, we note that CPSS covers a broad set of players, in particular:

- Securities clearing
- Securities depositories
- High value cash systems
- Low value cash systems

The above organizations are listed in steep decrease of financial risk. We therefore believe the general regulation should be well articulated to make sure these different players are regulated according to risk exposure.

For consistency and to facilitate requirements appropriateness and deployment, we would recommend that these requirements which do not apply to all MIs be clearly specified as such. For example, as confirmed during October 9th meeting at ECB, it should be formally specified that "contract tear-up" referenced on §3.7.2 only applies to CCPs and not to Payment Systems.

Secondly, since only some of the European CSMs are submitted to the regulation, we would like to better understand which constraints are set upon non-SIPS CSMs, in order to avoid too much difference in payment security levels between a payment processed by a CPSS-compliant CSM and one that is not.

As shared during October 9th meeting at ECB and widely agreed by attendees, recovery plans should not only cover Financial Risk; they should also cover Business Risk and Operational Risk. For low value Payment Systems, these considerations are, we believe, more important than financial risks.

Third, with SEPA finally becoming a reality, the payment market is becoming European. With this evolution, MIs and banks from different countries are increasingly in direct competition. We would like to stress that CPSS needs to be applied in the same way to all participants in competition. In order to prevent discrepancy, this should be true regarding the regulation that applies to MIs, but also in other aspects, for instance the timeframe required to comply with the new regulation, and the possible penalties for late compliance.

We thank you for the opportunity to provide detailed feedback, both through this consultation and through the lively and interesting debates during the September 9th and October 9th meetings.

We look forward to hearing from you and we thank you for your consideration.

Sincerely,



Jean-Pic BERRY
Chief Executive Officer