



Unit C2 - Financial markets infrastructure
DG Financial Stability, Financial Services and Capital Markets Union
European Commission
1049 Brussels
Belgium

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ICMA ERCC Response to the European Commission's Post-Trade consultation

On behalf of the European Repo and Collateral Council ("ERCC") of the International Capital Market Association ("ICMA"),¹ the purpose of this submission is to provide feedback on the European Commission's public consultation on *Post-trade in a Capital Market Union: dismantling barriers and strategy for the future*.

We would like to thank the European Commission for the opportunity to respond to this consultation and note that the ICMA ERCC has been an active member of the European Post-Trade Forum (EPTF) and as such fully supports the final EPTF Report which was published alongside the consultation. We encourage the Commission to carefully assess the conclusions and recommendations set out in the Report. In our view, the Report puts forward practical and achievable solutions to some of the most pressing issues in the post-trade space in Europe. The implementation of the proposals would constitute an important step towards a more harmonized post-trade environment which could serve as an important underpinning to a true Capital Markets Union.

Our response to this consultation should thus be read in conjunction with the proposals set out in the EPTF Report as well as the more detailed analysis of the post-trade environment contained in Annex 3 of the Report. We make reference to both documents in our response. While we have tried to avoid repeating the points covered in the EPTF Report, the main purpose of this response is to highlight some of the key issues from the Report from a collateral and repo specific perspective and to provide some additional comments in relation to trends and the broader vision for a safe and efficient future post-trade environment for the EU and global financial markets. This response reflects feedback received from members of the ERCC Operations Group.

¹ Since the early 1990's, the [International Capital Market Association](#) (ICMA) has played a significant role in promoting the interests and activities of the international repo market, and of the product itself. The ICMA [European Repo and Collateral Council](#) (ERCC) has become the industry representative body that has fashioned consensus solutions to the emerging, practical issues in a rapidly evolving marketplace, consolidating and codifying best market practice. The discussions that take place at the ICMA ERCC meetings underpin the strong sense of community and common interest that characterises the professional repo market in Europe. In support of the work of the ICMA ERCC, the [ICMA ERCC's Operations Group](#) brings together relevant specialists to focus on all applicable post trade activities and has contributed substantially to this response.

In terms of priority issues, we highlight in particular the importance of the topics covered in the so-called watchlist section of the EPTF Report, which in our view is not sufficiently reflected in the consultation. We would like to recall that the reason for including these issues in the watchlist section of the EPTF report was not that they are considered less important or less urgent, but in most cases, e.g. the lack of collateral mobility, that these are currently being assessed in other fora, mainly the ECB's AMI-SeCo. We encourage the Commission to closely follow this work and to provide regulatory support where deemed necessary.

We hope that our feedback is helpful and remain at your disposal should you have any further questions or wish to discuss further any of the points covered in our response.

Yours sincerely,

Godfried De Vidts

Chairman

ICMA ERCC Committee

Nicholas Hamilton

Chairman

ICMA ERCC Operations Group