



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 June 2012

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**Interinstitutional File:
2012/0029 (COD)**

**EF 141
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"I" ITEM NOTE

from:	Presidency
to:	Coreper (part 2)
Subject:	Proposal for a Regulation of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories (CSDs) and amending Directive 98/26/EC - Progress Report

I. INTRODUCTION

1. On 7 March 2012, the Commission transmitted to the Council its proposal for a Regulation of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories (CSDs) and amending Directive 98/26/EC¹. The proposal aims at increasing safety in the EU financial system and opening the market for CSD services, therefore improving the efficiency of securities settlement, by: i/ introducing an obligation to represent all transferable securities in book entry form and to record these in CSDs before trading them on regulated venues; ii/ harmonising settlement periods and settlement discipline regimes across the EU; iii/ introducing a common set of rules to address the risks of CSDs' operations and services; and, iv/ on that basis, setting out uniform requirements for licensing and an EU wide passport for CSDs.

¹ Doc. 7619/12 EF 62 ECOFIN 253 CODEC 648 + ADD1 + ADD2.

2. The opinions of the European Central Bank and of the European Economic and Social Committee are still pending. The opinion of the ECON Committee of the European Parliament is also pending.

II. STATE OF PLAY

3. The Working Party on Financial Services has held three meetings from early April to early June, and thus completed a first detailed consideration of the Proposal. In addition, the Presidency has received to date comments from 23 other Member State delegations, regarding possible improvements to the Commission Proposal. On that basis, the Presidency intends to identify the provisions where amendments to the Proposal could be backed by a strong majority, and thus provide the Working Party / incoming Presidency with the first building blocks of a future, more comprehensive compromise under the incoming Presidency.

4. The Presidency thus hopes to enable fruitful and rapid progress of negotiations under the Cypriot Presidency, with a view to swiftly reaching a general approach on this file, thereby paving the way to possible agreement in first reading with the European Parliament.

III. CONCLUSION

7. Against this background, the Permanent Representatives' Committee is invited to:

- take note of the progress achieved with regard to the proposal;
- invite the incoming Cypriot Presidency to continue work on this proposal in order to swiftly reach an agreement on a general approach.
