

Banks and financial markets: settlement finality in payment and securities settlement systems; financial collateral arrangements as regards linked systems and credit claims

2008/0082(COD) - 07/10/2008

The Council approved a **general approach** on a draft Directive amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on financial collateral arrangements as regards linked systems and credit claims.

It approved the text pending the opinions of the European Parliament so as continue the contacts with the Parliament with a view to reaching a first-reading agreement.

The text provides, in particular, for the protection of Directive 98/26/EC to be extended to night-time settlement and to settlement between linked systems, given that the Directive on markets in financial instruments (Directive 2004/39/EC) and the European Code of conduct for clearing and settlement provide for the continued strengthening of the linkages and interoperability between systems.

It is also proposed to extend the scope of the protection provided by both directives to include new types of assets, such as credit claims eligible for the collateralisation of central bank credit operations, in order to facilitate their use throughout the EU. The proposed amendments seek to harmonise the legal framework in order to promote equal conditions of competition and the cross-border use of collateralisation.