

Settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories

2022/0074(COD) - 06/03/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Johan VAN OVERTVELDT (ECR, BE) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories (CSDs).

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

The proposed amendment to the CSD Regulation aims to reduce compliance costs and regulatory burdens for CSDs and to make it easier for CSDs to offer a wider range of cross-border services, while improving their cross-border supervision.

The main provisions of the proposed revision of the CSD Regulation relate to

- settlement discipline: introduction of a ‘two-step approach’ whereby mandatory buy-ins could become applicable if and when the penalties regime alone does not improve settlement fails in the EU;
- banking-type ancillary services;
- cooperation of authorities through colleges;
- passporting, i.e. simplifying the requirements for CSDs to operate throughout the EU with a single licence, by removing costly and duplicative procedures;
- cooperation between supervisory authorities;
- surveillance of third country CSDs.

To ensure effective and efficient coordination of supervision by competent authorities, Members believe that the obligation to establish mandatory colleges should be based on a single existing and reliable criterion, namely the substantial importance of a CSD for a jurisdiction other than the one where it is established. The threshold for the mandatory establishment by the competent authorities of a college of supervisors should be met when a CSD is of substantial importance in at least two host Member States.

The report shall include in particular a new article concerning the colleges of supervisors for CSDs providing services in another Member State and for CSDs that are part of a group with two or more CSDs.

ESMA should establish, manage and chair a college of supervisors. The college should consist of:

- ESMA, as the chair of the college;

- the competent authority of the CSD's home Member State;
- the relevant authorities;
- the competent authority of the host Member States where the CSD is of substantial importance;
- the European Banking Authority, where a CSD has been authorised.

Members of a college should have the possibility of requesting the adoption by the college of a formal opinion concerning issues identified during the review and evaluation process of CSDs, or during the review and evaluation of providers of banking-type ancillary services, or concerning issues that relate to the extension or outsourcing of activities and services provided by the CSD. The process for the adoption of formal opinions should rely on a simple majority vote.