

Banks: settlement finality in payment and securities settlement systems

1996/0126(COD) - 04/07/1997 - Modified legislative proposal

The amended proposal from the European Commission accepts the amendments of the European Parliament which essentially seek: - to amend the title of the proposal: the latter concerns the reduction of the systemic risk associated with participation in securities payment and settlement systems; - to include systems for securities payment and settlement in the scope of the directive; - to introduce derived instruments into the definition of monetary policy operations. However, the Commission was unable to accept those amendments which seek primarily: - to indicate that Member States should amend their legislation on insolvency in accordance with the directive, in order to avoid any disruption in the case of insolvency of one of the participants in the system; - to provide that the articles establishing the system should be lodged with the authorities responsible for the monitoring of the participating institutions; - to provide for the publication of a communication indicating that articles have been lodged and that these may be freely consulted; - to amend the criterion of localisation (which determines whether a system is a Community system coming under the terms of the directive); - to determine the moment of opening of insolvency proceedings; - to delete the article which determines the legislation on insolvency applying in the event of default of a participant.