

R	<p>CMU (Capital Markets Union)</p> <p>Primary focus on SME's financing models (growth of European markets)</p> <p>-> EPTF (European Post Trade Forum): Advisory committee of the EU Commission; mandate for PT topics until 2018)</p> <p><i>Discussing the next steps to Growth in Europe: EU Commission has outlined a plan to promote and develop the EU market, particular focus on SME financing, long term investments, securitisation markets and approach on EU insolvency laws. EPTF has been set up to deliver a report on existing barriers and how those could be overcome.</i></p>	<p>Harmonisation activities across Europe are receiving renewed momentum in the context of EU Commission; CMU's action plan (based on EPTF's analysis):</p> <ul style="list-style-type: none"> (I) review the remaining, or any new barriers to integrated post-trade environment in the EU; (II) provide technical advice to the Commission on follow-up actions. <p>Harmonisation initiatives cover a number of issues that are currently under post-trade and financial integration of EU public authorities and private post-trade market actors.</p> <p>European Commission published on 23 August 2017 the report by the EPTF with a consultation on how to improve post-trade services used in financial transactions. The 406-page report addresses barriers and proposals in four areas: operational, structural, legal and taxation. Click here for the full report. Click here for the consultation.</p> <p>EPTF identified 13 barriers, e.g.</p> <ul style="list-style-type: none"> ➤ Asset Segregation ➤ Harmonisation of Registration Process ➤ Harmonisation of Withholding Tax Procedures ➤ ISO 20022 messages in securities processes (-> within 5 years) ➤ Ownership rights in a dematerialised environment 	<p>2017/05 2017/06</p> <p>2017/06</p> <p>2017/09</p> <p>2017/10</p>	<p>- CCC sent nearly final EPTF Report to SPTC members</p> <p>- EPTF delivered final report to EU-Commission – slightly amended in terms of the ISO20022 communication barrier (supported by ECSDA and EBF)</p> <p>- official/public EU Consultation expected before summer</p> <p>-> associations will answer on consultation (also AMI - SeCo e.g. on SRD related topics; co-operation among us requested (?) specifically on the communication barrier, SPTC expects SCFS taking the lead)</p> <p>- Securities Law Legislation: 7 April EU Commission consultation, deadline 30 June: -> Link http://ec.europa.eu/info/consultations/public-consultation-conflict-laws-rules-third-party-effects-transactions-securities-and-claims_en</p> <p>SIX SIS responded with/via ECSDA.</p> <p>UBS did not take part; CS no feedback; other banks are not directly involved in European committees or Working Groups</p> <p>-In May EPTF delivered final Report to EU-Commission -EPTF as Advisory Group has been closed</p> <p>-EU Commission has started official consultation of EPTF Report on 23 August with several questions (report sent to swissSPTC members, deadline to answer is on 15 November)</p> <p>-ECSDA: Workshop in October to agree on feedback as a CSD community (not yet sure whether ECSDA will answer on all questions)</p> <p>- SCFS FK Securities: Expectation from swissSPTC (What? Until when? Reporting possibilities?)</p> <p>-> very important consultation, as it will influence how EU-Commission will be defining (..or not) the PT area for the next 5-10 Years.</p> <p>-AFME: P. Gnepf – internal working group with the objective to dismantle the 13 barriers in short term; European Issuers/J. Beglinger: it is also on their agenda, but no news yet;</p> <p>-<i>Conclusion swissSPTC:</i> (i) ISO20022 will be handled autonomous within FK Securities, secondly the proposal will be agreed in SPTC (Conf Call if possible?); (ii) generally whenever there are news from the associations they will be forwarded as update information to SPTC members</p> <p><u>Update after SPTC meeting:</u> ECB/T2S will answer separately (draft in circulation at T2S HSG); ECSDA will answer only on CSD relevant questions/issues</p>
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I	<p>FATF (Financial Action Task Force)</p> <p><i>Intergovernmental organisation to develop policies to combat money laundering and terrorism financing. The recommendations are usually transposed into local laws like Anti-Money Laundering Directive in Europe and/or Swiss regulation</i></p>	<p>Paying Agency Function: additional disclosure requirements of certain shareholders Adaptation of Dividend Process of “non book-entries” and/or physical coupon/dividend claim by beneficial owners</p>	<p>2015/12</p> <p>2016/12</p> <p>2017/09</p>	<p>Swiss SPTC and Swiss/banking agreed on information letter to Swiss banks to clarify some legal and/operational uncertainties in GwG, OR andBEG) SwissBanking informed about a new assessment, Plenary meeting in Oct with publication of report in Nov/Dec 2016; new requirements expected 2018 For PT area no news</p>
	<p>FinfraG (&CSDR)</p>	<p>General uncertainty on the implementation of FinfraG Art 73 Segregation of assets/account structure Scope/area of application Parallelism to CSDR Art 38 Definition of indirect participants</p>	<p>2016/08</p> <p>2016/09+10</p> <p>2016/11</p> <p>2016/12</p> <p>2017/03</p> <p>2017/06</p> <p>2017/09</p>	<p>AFME letter to FINMA asking for clarification SIX SIS letter to FINMA asking for clarification Swiss Banks (CS, UBS, ZKB, JB) asking for clarification Answer from FINMA to AFME & Swiss Banking clarification request received -> copies sent to all swissSPTC members.</p> <p>SIX SIS answer on CITI clarification request after FINMA's statements -> content shared with Swiss SPTC in Meeting 38</p> <p>-Expectation FMI authorization/license from FINMA in Q4 2017 -Banks are struggling in terms of the “requested” account structure at SIX SIS ->uncertainty: ->how many clients will ask for segregation ->costs & price transparency, level of protection with different account structures (-> need for agreed/harmonized legal rationale) -> transition period for CSD members? Fact is, SIX SIS is ready and banks do not have to wait with a/c structure setup until FMI authorization</p> <p>- Still confident that SIX SIS will get the FMI license very soon. - Working Group of SwissBanking will very soon publish a disclosure document on FinfraG Art 73(4) an CSDR Art 38(6) on levels of protection associated with the different levels of segregation in respect of securities held in the accounts. AG FinfraG: Draft will be translated in additional languages and published from SwissBanking; there will no indications about cost transparency as this is different from bank to bank and a commercial issue as well in case of different setups/flat fee arrangements in the custody area.</p>

I	Fintech, DLT (Distributed Ledger Technology), a.o.	Target: Observe and remain involved in discussions of the various associations to timely recognize and contribute to PT developments	2017/03 2017/06 2017/07 2017/09	EU Commission launched a consultation on FinTech, deadline is 15 June: https://ec.europa.eu/info/sites/info/files/2017-fintech-consultation-document_en_0.pdf -> SIX SIS will participate via ECSDA SIX SIS responded via ECSDA to EU Commission We received a statement/detailed answers from EBF on their consultation feedback. AFME: has in place a DLT Task Force – to date no other feedback available - See DLT Agenda point 9 of swissSPTC 40 - Please note that the EU Commission Consultation on EPTF includes several questions on future (DLT) Technology. -AFME and EBF work in internal DLT working groups Awareness is created that DLT and new technologies are an important part in the EU Commission consultation on EPTF – will be interesting to see the EU commissions conclusion on the industry feedback.
R	FMI Resolution and Recovery	Settlement process (-> influence, amendments, new requirements for normal and/or crisis mode)	2016/12 2017/09	PT n.a. Will become a topic to be discussed in future (CSDs no longer with bank but with FMI-status) See SPTC 40 agenda point 6
	FTT (Financial Transaction Tax)	PT topics (Tax issue with potential processing issues; service issue)	2017/03 2017/06 2017/09	PT n.a. See SPTC 39 minutes, agenda point 6 See SPTC 40 agenda point 6

R	<p>SFTR Securities Financing Transaction Regulation</p> <p><i>Regulation to increase transparency in the securities financing industry by mandatory reporting and revision of certain contracts</i></p>	<p>Enhanced KYC and KYCP requirements (settlement data fields) Enhanced reporting / disclosure requirements</p>	<p>2016/10</p> <p>2017/09</p>	<p>ESMA Consultation on SFTR level II technical standards; ECSDA responded where it refers to CSDs Section 4.3.8 (p114-117) about settlement fields relating to SFTs</p> <p>PT n.a.</p>
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R	<p>Swiss Regulation Federal Department of Finance in co-operation with FINMA are analyzing/preparing a consultation on <i>Segregation of proprietary and client assets of intermediated securities</i> Target is to close a legislative gap in the intermediary chain at least for the Swiss market and the first cross-border custodian/intermediary outside of Switzerland. Whether this will be an amendment in the Intermediated Securities Act or elsewhere is not yet defined.</p>	<p>As per the Federal Council's request the draft consultation should be ready by end of November.</p>	2017/09	<p>August 2017: FINMA pre-consultation on a draft consultation paper; - the principle of the CH approach is in line with the ESMA opinion on segregation of July 2017 on AIFMD & UCITS; - the CH approach is in line with current "trends" in the EU, nevertheless no such equivalent legislation in the EU is in place yet.</p>
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black = old input;

green = input since last Swiss SPTC Meeting for the current meeting;

red = current SPTC meeting input

ANNEX

Acronyms

AFME	Association for Financial Markets in Europe
AIFMD	Alternative Investment Fund Managers Directive
BEG	Bucheffektengesetz
CAJWG	Corporate Actions Joint Working Group
CASG	Corporate Actions Sub-Group (ECB level ->Sub-Group of T2S Advisory Group; T2S-CASG)
CCP	Central Counterparty
CMU	Capital Markets Union
CSDR	Central Securities Depository Regulation
DLT	Distributed Ledger Technology
EACH	European Association of Clearing Houses
EBA	European Banking Authority
EBF	European Banking Federation
ECB	European Central Bank
ECSDA	European Central Securities Depositories Association
EP	European Parliament
EPTF	European Post Trade Forum
ESMA	European Securities and Markets Authority
E-MIG	European Market Implementation Group
FATF	Financial Action Task Force
FESE	Federation of European Securities Exchanges
FMI	Financial Market Infrastructure
FTT	Financial Transaction Tax
GMJWG	General Meetings Joint Working Group
GwG	Geldwäschereigesetz
HSG	Harmonisation Steering Group (ECB level ->Sub-Group of T2S Advisory Group)
ICMA	International Capital Market Association
ISSA	International Securities Services Association
KYC / KYCP	Know Your Customer / Counter Party
PT	Post Trade

T2S	Target2-Securities
SFTR	Securities Financing Transaction Regulation
SKSF	Schweizerische Kommission für Standardisierungen im Finanzbereich
SLL	Securities Law Legislation
SME	Small and medium-sized Enterprises
SRD	Shareholder Rights Directive
UCITS	Undertakings for Collective Investment in Transferable Securities
