



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Mario DRAGHI

President

Mr Markus Ferber
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 9 July 2019

L/MD/19/254

Re: Your letter (QZ-035)

Honourable Member of the European Parliament, dear Mr Ferber,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 20 June 2019.

On 22 May 2019, the Governing Council approved the launch of a six-week market consultation on a potential Eurosystem initiative regarding a European mechanism for the issuance and initial distribution of debt securities in the European Union (EDDI).¹ The market consultation invites a wide audience of stakeholders, including issuers and investors, to identify the potential business case for such an initiative and the role the Eurosystem could play in that respect. It is premature at this juncture to draw any conclusions about the possible implementation of EDDI, as the Eurosystem is still in the fact-finding stage.

One of the objectives of the Eurosystem is to foster financial integration in Europe. The Eurosystem is a strong supporter of the capital markets union, including initiatives that could foster further financial integration, cross-border investments and easier access to funding, thereby making the implementation of the Eurosystem's monetary policy more efficient and effective. EDDI was launched in that context, as a response to investments in debt securities in the European Union that are still very much affected by home bias.

¹ See "Market consultation on a potential Eurosystem initiative regarding a European mechanism for the issuance and initial distribution of debt securities in the European Union", 28 May 2019, available at https://www.ecb.europa.eu/paym/pdf/consultations/market_consultation_on_european_distribution_of_debt_securities.en.pdf.

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EDDI needs to be envisaged as complementary to, and potentially interoperable with, various actors and initiatives across the securities transaction chain. The purpose of the Eurosystem is not to create a new competitor, but to offer a pan-European service in close collaboration with central securities depositories (CSDs), and benefitting the CSDs.

Finally, let me reassure you that the objective of the ongoing market consultation is to canvass the views of all relevant market stakeholders, rather than to pave the way for any form of unilateral intervention. The Eurosystem will consider the market consultation feedback, with a view to determining any follow-up actions in line with its mandate. In doing so, the Eurosystem will take into account all relevant legal (including statutory) and regulatory considerations, in particular with regard to its own potential involvement, which would be in line with its by-laws and statute.

Yours sincerely,

[signed]

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