

29 April 2002

To the Financial Supervision Authority

JOINT WORK OF THE EUROPEAN SYSTEM OF CENTRAL BANKS AND THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS IN THE FIELD OF CLEARING AND SETTLEMENT

Re: Your call for contributions dated 4 April 2002

The Finnish Bankers' Association submits the following comments on the above mentioned subject.

2.1 Nature of the recommendations

At the moment, the markets and operational models on them are so different, that it is difficult to establish any general standards. Therefore, recommendations of EU-level are more appropriate than a European legal instrument. There is not necessary much need for a national legislation.

2.2 Addressee

The regulators, the systems and the operators are probably the most obvious addressees for the standards and recommendations. Binding through these quarters leads in practice to the fact that the operations on the market change. This kind of advancement would not make too much trouble for private service providers.

2.3 Scope

Referring to the above mentioned, the target group should be central securities depositories, central counterparties and registrars, not so much custodian banks.

2.6 Risks and weaknesses

We consider that there are risks and weaknesses such as differences between markets, vulnerability of systems and time lags in the settlements.

2.7 Settlement cycles

The target should be the same settlement cycle in whole Europe.

THE FINNISH BANKERS' ASSOCIATION