

ESMA consults on guidelines regarding internalised settlement reporting

Internalised settlement refers to transactions, which are settled outside securities settlement systems operated by central securities depositories (CSDs). Internalised settlement can happen at different levels of a securities holding chain – global custodians, sub-custodians, etc. – and has to be reported at the level where it takes place. Each settlement internaliser needs to report the settlement that has been internalised in its books only.

The CSDR requires settlement internalisers to report to the CSD national competent authorities (NCAs) in their jurisdiction the aggregated volume and value of all securities transactions that they settle outside securities settlement systems on a quarterly basis. NCAs then transmit this information to ESMA and have to inform ESMA of any potential risk resulting from that settlement activity.

The CSDR Implementing Regulation (EU) 2017/393 specifies the templates and procedures for the reporting and transmission of information on internalised settlement. However, in order to ensure a consistent application of the CSDR, ESMA has decided to issue Guidelines on the reporting architecture and exchange of information between ESMA and NCAs regarding internalised settlement.

ESMA's guidelines clarify the scope of the data to be reported by settlement internalisers and the types of transactions and operations that should or should not be included.

ESMA welcomes stakeholders' feedback, which it will use to finalise the guidelines. The consultation paper is open for comments by 14 September 2017.

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Consultation on guidelines on Internalised Settlement Reporting under Article 9 of CSDR

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **14 September 2017**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input – Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically

disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

The collection of confidential responses is without prejudice to the scope of Regulation (EC) No 1049/2001^[1]. Possible requests for access to documents will be dealt in compliance with the requirements and obligations laid down in Regulation (EC) No 1049/2001.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading Legal Notice

^[1] Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents , (OJ L 145, 31.5.2001, p. 43–48)

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