



EUROPEAN CENTRAL BANK

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## PRESS RELEASE

### THE EUROSISTEM IS EVALUATING OPPORTUNITIES TO PROVIDE SETTLEMENT SERVICES FOR SECURITIES TRANSACTIONS

Conscious of the need for further integration in market infrastructures, and extracting the benefits from the implementation of the TARGET2 payment system, the Eurosystem is evaluating opportunities to provide efficient settlement services for securities transactions in central bank money, leading to the processing of both securities and cash settlements on a single platform through common procedures. At its meeting on 6 July 2006, the Governing Council of the European Central Bank decided to further explore in cooperation with central securities depositories and other market participants, the setting up of a new service – which may be called TARGET2-Securities – for securities settlement in the euro area.

The objective of this project is to allow the harmonised settlement of securities transactions in euro which are settled in central bank money. Synergies for the market with other facilities operated by the Eurosystem will be sought, in particular in connection with the future TARGET2 payment system.

The implementation of such a facility, which would be fully owned and operated by the Eurosystem, would allow large cost savings as a result of the high level of technical harmonisation that this facility would entail for all market participants and would represent a major step towards a single Eurosystem interface with the market.

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The Eurosystem will now consult central securities depositories and other market participants on the envisaged facility. A final decision on this project is expected by early 2007.