



OTP Bank Group

Market: Europe

Date: 21st March 2022

Category: Regulatory issues

Update on CSDR regulation

After extensive discussions the European CSDs have agreed in principle on a process for February penalties. Acknowledging the AFME proposal on 11th March, the CSDs confirmed their agreement and possibility to proceed with collection and distribution for payment date instead of 23rd March on 13th April, 2022.

The European Commission has responded to strong industry opposition to mandatory buy-in rules within its settlement discipline regime (SDR) by removing them from the regulation, though warned it could reintroduce them if fail rates don't improve. The requirements would have obliged trading parties to execute buy-ins against any counterparties who are unable to settle their trades within a certain timeframe. While there was talk of a delay of two-to-three years for buy-ins, the Commission is now holding the requirement back should failure rates not drop.

Impact: For information only

Required actions: No action required from clients

Source: ECSDA, Global Custodian magazine

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