

ESMA finalises guidelines on how to report internalised settlement

Entities such as investment firms and credit institutions, who are providing custody/ safekeeping services in relation to financial instruments recorded in a CSD, can settle transactions in those financial instruments outside the securities settlement systems operated by CSDs, but need to report them to national competent authorities (NCAs), starting on 12 July 2019.

ESMA's guidelines clarify the scope and process of internalised settlement reporting as well as the exchange of information between ESMA and NCAs, who will receive the data from reporting entities.

The guidelines will apply from the date of their publication on ESMA's website in all official languages of the EU. Within two months of the publication, NCAs will have to inform ESMA whether or not they intend to comply with these guidelines.