



Financial markets & infrastructures Central depository

Supervision of the central securities depository

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In accordance with the provisions of Articles 550-1, 560-1 et seq. of its General Regulation, the AMF supervises the central securities depository (CSD) and the settlement system operator. These post-trade infrastructures are responsible for recording securities, keeping them safe, and exchanging them through the settlement system. They have a key role in the organisation of the financial markets, helping to ensure their security.

A central securities depository has a dual role

1. The CSD is the link between companies that issue securities, which deposit their securities with it, whether or not they are admitted to or traded on regulated markets or multilateral trading facilities, and the financial intermediaries that hold these securities on behalf of investors or on their own account. This is the central securities depository function proper.
2. The CSD also allows financial intermediaries to deliver securities against payment following trades or disposals. This is the settlement system operator function.

Approval from the AMF

Before giving a market infrastructure approval to operate as a central securities depository or settlement system operator, the AMF conducts an assessment of the entity, looking particularly at the quality of shareholders and senior management, operating rules and human, technical and financial resources.

Euroclear France, France's central securities depository Euroclear France is France's central securities depository. Established in 1949 under the name of Sicovam SA, it was purchased in 2001 by Euroclear Group, which comprises the UK, Belgian, Finnish, Dutch and Swedish CSDs, as well as Euroclear Bank, an international CSD.

Operating rules approved by the AMF

The AMF approves amendments to the operating rules, which separately describe the operating procedures for the CSD and the settlement system operator.

Obligations of the CSD and settlement system operator

The CSD records in a specific account the securities comprising each issue admitted to its operations. It also opens accounts for financial intermediaries that have custody of those securities. Through this dual entry accounting system, it makes sure that the amount of outstanding securities on the books of investment services providers that are members of the CSD is always the same as the amount of securities issued by the company. In this way, it ensures that no securities are created or cancelled during trading. The CSD must take the steps needed to exercise the rights attached to securities. It also enables issuers to identify shareholders, either at a given point in time, or on an ongoing basis.

ESES settlement system

ESES is a securities settlement platform launched in 2008 and jointly used by Euroclear France, Euroclear Belgium and Euroclear Nederland. ESES has made it possible to standardise the settlement transactions of these three CSDs.

Instructions entered in the settlement system are covered by an exemption to bankruptcy law because, when certain conditions are met, they cannot be cancelled by a court-appointed receiver. As a result, transactions that are in process or that have been executed cannot be challenged, which helps to reduce systemic risk.

Read more

- [Approved professional rules \(in French only\)](#)
- [Titles V and VI Book V of the AMF General Regulation](#)
- [Monetary and Financial Code \(in French only\)](#)

Also

- [Euroclear website](#)
- [European Commission Website](#)

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