

While the Code of Conduct serves as proof that providers of trade and post-trade services are willing to work constructively toward a more efficient environment for cross-border equity trading, Deutsche Börse Group continues to urge the EU Commission and national governments to contribute to this goal by removing legal and tax barriers, notably those defined in recent reports by the EU Commission's Giovannini expert group.

“The Code of Conduct reinforces our strong belief that the creation of a European clearing and settlement system requires market-led rather than legislative action.”

**Matthias Ganz,**

Chief Operating Officer of Deutsche Börse Group

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European Code of Conduct  
for clearing and settlement  
of cash equities

Strengthening  
European equity  
markets

## Market-driven solutions for harmonization and transparency

Equity markets are an important cornerstone of the economy. The European Code of Conduct for clearing and settlement of cash equities represents a market-led initiative by the exchange and post-trade industry to create a consistent, coherent, and cost-efficient European framework for the trading, clearing, settlement, and custody of cash equities. It is intended to deliver benefits to customers while at the same time improving safety and efficiency, especially for cross-border transactions. Thereby, the Code of Conduct will strengthen European equity markets and drive economic growth.

Deutsche Börse Group actively participated in the development of the Code in its capacity as a member of the industry associations Federation of European Securities Exchanges (FESE), European Association of Central Counterparty Clearing Houses (EACH), and European Central Securities Depositories Association (ECSDA). Deutsche Börse AG, Eurex Clearing AG, Clearstream Banking AG, and Clearstream International S.A. were among the exchanges, clearing houses, and (international) central securities depositories that signed the Code of Conduct.



## Three cornerstones of the Code

**Price transparency:** measures are defined to enable customers to better understand the services they will be provided with and the prices they will have to pay for these services. The aim is to facilitate the comparison of prices and services on an individual basis. Further measures are designed to improve the reconcilability of customers' ex-post billing and the published prices and services provided.

**Access and interoperability:** guiding principles are aimed at improving open and transparent access to post-trading services with a view to achieving greater interoperability. The ultimate aim is to offer market participants the freedom to choose their preferred provider of cash equity services separately at each layer of the transaction chain and to make the concept of "cross-border" redundant for cash equity transactions within Europe.

**Services unbundling and accounting separation:** requirements are designed to provide customers with choice regarding services available to purchase and to enhance competition.

The Code will be monitored by an ad-hoc committee chaired by the European Commission.

## Deutsche Börse Group's commitment to the Code

Deutsche Börse supports the three cornerstones of the Code.

Price lists have been improved and made prominently accessible on our website. In order to facilitate the comparison of offers and allow customers to anticipate prices, example calculations for standard cash equity transactions along the value chain are provided at [www.deutsche-boerse.com/code](http://www.deutsche-boerse.com/code).

Along with the other organizations that signed the Code, we are working toward formalizing common access principles by 30 June 2007. We see standard access conditions, to be defined by each organization individually based on the common access principles, largely as a formalization of our business practice of providing open and non-discriminatory access to the services we provide. For example, Clearstream Banking S.A. offers a single point of access to 42 markets worldwide via links to other (international) central securities depositories or through intermediaries. Clearstream Banking AG offers links to twelve markets.

Deutsche Börse Group is also working toward implementing the measures defined in the Code related to service unbundling and accounting separation by 1 January 2008.

### Implementation of Code

