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From:	Presidency
To:	Working Party on Financial Services and Banking Union (CSDR) Financial Services Attachés

Subject:	CSDR: Attaches working party 22.03.23 - Draft agenda
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In-person meeting

**Working Party on Financial Services and the Banking Union
CSDR
22 March 2023, 09:30–16:00**

The Swedish Presidency is delighted to invite you to a preparatory Council Working Party meeting, ahead of the first political trilogue on the CSDR-file.

The Working Party meeting scheduled on 22 March 2023 will consider the negotiating mandates of the European Parliament and of the Council with respect to the Commission proposal to amend Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories and amending Regulation (EU) No 236/2012.

On 20 December 2022, the Council adopted a General Approach on the Commission proposal. The ECON Committee of the European Parliament (EP) adopted its Report on 1 March 2023 and this Report was confirmed by the EP Plenary on 14 March 2023. The trilogues are planned to start on 28 or 29 March 2023 (date still tbc), in Brussels.

In the forthcoming Council Working Party meeting, the Presidency plans to present the main differences identified between the Council's and the EP's respective negotiating mandates and invite Member States (MS) to discuss their reaction to said differences, as well as highlighting any major concerns.

The Presidency has identified the following main points of divergence: 1) ESMA's role and tasks and 2) relationships with third countries. The Presidency intends to structure the Working Party along these clusters. Under each cluster, the Presidency intends to give a short introduction followed by a tour de table to get MS feedback. MS will also be given the opportunity to raise any other major concerns.

For ease of convenience and in order to inform the discussions, the Presidency has in addition to this agenda produced the attached non-paper. It aims to give an overview on the main material divergences between the Council's and the EP's respective negotiating mandates and includes issues of both political and technical character.

The time slots given below are indicative and, as stated earlier, the Presidency will do its utmost to conduct the discussions in order to close the meeting by lunchtime, so that delegations can attend the Commission's EGBPI meeting taking place on that same day from 14:00.

1. Presidency opening remarks (09:30–09:40)

2. ESMA's role and tasks (09:40–11:20)

Under this item, the EP position with respect to ESMA's role and tasks will be addressed. Most notably, the proposed amendments to Article 12 and Article 24a, that ESMA shall be a relevant authority for certain CSDs, that ESMA shall establish, manage and chair the colleges of supervisors and that the college, chaired by ESMA, shall ensure the coordination of the supervisory review and evaluation processes pursuant to Articles 22 and 60 or that relate to the extension of services and outsourcing under Article 19.

- Q1: Could MS find an enhanced mandate for ESMA acceptable? If so, what sort of mandate and in which areas?

10 minute break

3. Relationships with third countries (11.30–13.00)

Under this item, the EP position with respect to third-country CSDs will be addressed. Most notably the EP proposed amendment to Article 25 that third-country CSDs that intend to provide the core service referred to in point (3) of Section A of the Annex (i.e. settlement services) in relation to the financial instruments constituted under the law of a Member State referred to in the second subparagraph of Article 49(1) shall be subject to the recognition regime for third-country CSDs referred to in paragraphs 4 to 11 of Article 25.

- Q2: Are MS ready to consider EP's proposal and what consequences would the proposal bring about?

Lunch break

4. Other points of divergence (14.30–15.50)

Under this item, MS will be given the opportunity to raise any other major political issues or concerns, notably on banking-type ancillary services, settlement discipline and freedom to provide services in another MS.

- Q3: Is there any point that MS would like to highlight as especially sensitive? Where do MS see scope for compromise?

5. Presidency closing remarks (15.50–16.00)

The Presidency will inform about the next steps, including the tentative timelines of negotiations.
